

Chairman; Mr Rob Johnson; Mr Clive Brown; Mr John Bowler; Mr Peter Watson; Mr Dan Barron-Sullivan; Mr  
Bernie Masters; Mr Brendon Grylls; Mr Mick Murray

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**Division 53: Western Australian Tourism Commission, \$37 060 000 -**

Mr J.P.D. Edwards, Chairman.

Mr C.M. Brown, Minister for Tourism.

Mr R.J. Muirhead, Chief Executive Officer.

Mr P.G. Kealley, Manager, Accounting and Financial Services.

Mr R. Wilson, Executive Director, Corporate and Business Services.

Mr J. Lamb, Policy Adviser, Small Business and Tourism, Office of the Minister for Tourism.

Mr N. Roberts, Chief of Staff, Office of the Minister for Tourism.

The CHAIRMAN (Mr J.P.D. Edwards): 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 fund. This is a 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, and amount in preface to their question. 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 Chairman 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 ask that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the committee which supplementary information he 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 6 June 2003, 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 6 June 2003.

Mr R.F. JOHNSON: My question relates to page 862 of the *Budget Statements* and the ninth dot point. What action has the Government taken to implement a comprehensive wine and culinary tourism strategy that builds on the complimentary nature of the industry and its facilities? What budget allocations were provided for in the 2001-02 and 2002-03 budgets, and how much has been expended on the strategy?

Mr C.M. BROWN: With regard to the wine and food strategy, the commitments made during the election campaign are four-year commitments. A couple of strategies have come forward and have not been concluded at this juncture. The main factor affecting the wine industry is the wine equalisation tax, which is a federal tax. I have had recent discussions about that with the Western Australian Wine Industry Association. The tax is particularly affecting small businesses, especially those dealing with premium grade. Western Australia produces about three per cent of Australia's wine and about 20 per cent of Australia's premium wine. The way that premium wine is taxed is of major concern to the wine industry. I have recently raised with members of the industry the need to step up our campaign to have that tax arrangement changed as the industry would like, particularly in Western Australia where there are many boutique suppliers. Those matters are subject to ongoing discussions. I will have further discussions soon with industry and hopefully we will arrive at a decision on a way forward.

Mr R.F. JOHNSON: That has nothing whatsoever to do with the question. I asked the minister specific questions. He is obviously having a problem answering them because he went off on a tangent. I asked what allocations were provided for this strategy in the 2001-02 and 2002-03 budgets and how much has been expended on the strategy, which was one of this Government's pre-election promises? The minister has not answered the question at all.

Mr C.M. BROWN: I find questions from the Opposition about election commitments quite surprising given the enormous number -

Mr R.F. JOHNSON: No. The minister should not go off on a tangent -

Mr C.M. BROWN: The member asked the question so I will give the answer.

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The CHAIRMAN: I want to keep this answer as relevant to the question as possible. I do not want discussion to go of in different directions. If a question is asked, I want an answer.

Mr C.M. BROWN: Thank you Mr Chairman.

Mr J.J.M. BOWLER: There was an answer!

The CHAIRMAN: Member for Eyre, when I want your advice I will ask for it.

Mr C.M. BROWN: I am amazed the member for Hillarys has the audacity to raise questions about election commitments -

Mr J.J.M. Bowler interjected.

The CHAIRMAN: If the member for Eyre is going to interrupt, I will call him to order but I do not want to go down that path. I want to keep the process going as best I can.

Mr C.M. BROWN: I am amazed at the audacity of the member for Hillarys in asking this question. He was a minister in the Court Government that ignored election commitments one after the other. I am amazed that he pretends that somehow when he was in government he carried out the election commitments that his party made -

Mr R.F. JOHNSON: Is the minister admitting that he has not carried out his election commitments? Is that what he is saying?

Mr C.M. BROWN: No, the member needs to understand that election commitments are made over a four-year period. Everything is not done in -

Mr R.F. JOHNSON: The minister has only one more budget to go.

Mr C.M. BROWN: There might be only one more budget to go but we do not do everything immediately, unlike the member's record -

Mr R.F. JOHNSON: Then answer the question.

Mr C.M. BROWN: Unlike the member's record -

Mr R.F. JOHNSON: So the minister has not spent any money.

Mr C.M. BROWN: The member's record shows that he has completely ignored election commitment after election commitment and had no desire at all to implement them. Suddenly, he questions me on the basis of all of our election commitments and says that we should have implemented them by now -

Mr R.F. JOHNSON: I did not even mention it was an election commitment. I asked a simple question that the minister has refused to answer.

Mr C.M. BROWN: No, I have not.

Mr R.F. JOHNSON: Yes he has, which obviously means he has not spent any money. No money has been spent on those strategies so far. If the minister had said that no money had been spent so far, I would have accepted that -

Mr C.M. BROWN: The member does not understand. He asked me about a comprehensive strategy. I said a couple of strategies were being worked through and had not yet been finalised.

Mr R.F. JOHNSON: How much has been spent on that strategy?

Mr C.M. BROWN: Let me explain it to the member in words of one syllable -

Mr R.F. JOHNSON: The minister does not need to do that.

Mr C.M. BROWN: I will say it very slowly: the strategies are still being worked through. Does the member understand that now? Have I made myself clear?

Mr R.F. JOHNSON: How much money has the minister spent on them?

Mr C.M. BROWN: The strategies are still being worked through. Does the member not understand?

Mr R.F. JOHNSON: How much has the minister spent so far? His officers can give him that advice. The minister does not know and I do not expect him to know -

Mr C.M. BROWN: There has been no conclusion on the view. The strategies are still being worked through. I am amazed that the member cannot understand that. I thought he would have had a bit more intelligence than that.

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[7.10 pm]

Mr R.F. JOHNSON: I only asked a simple question.

The CHAIRMAN: Order, members! We will move on to the next question.

Mr R.F. JOHNSON: We will not get an answer to it!

Mr C.M. BROWN: I gave you an answer!

Mr P.B. WATSON: I refer to the first dot point at page 861 of the *Budget Statements*, which refers to the impact of severe acute respiratory syndrome on the tourism industry. What is the impact of SARS on the tourism industry and elsewhere?

Mr C.M. BROWN: There is no doubt that the impact of SARS and the war in Iraq has been quite significant on international tourism. There has been talk about whether the impact of both those events constitutes a crisis. Some people have claimed that it does. It is a matter that has been taken up with the commission as well as the federal tourism minister, Joe Hockey. He was reported in *The Australian Financial Review* of 30 April as saying there was not a crisis in the industry. He commented that Australia is a very safe place for tourists. I agree with that comment. There is no doubt that parts of the tourism industry that are reliant on international visitors have been impacted by SARS. How quickly the impact will be worked through is yet to be determined. Even once the disease is countered one still has to deal with the perception. Despite the fact that no new cases of SARS have appeared in Singapore, many people are reticent to fly through Singapore. Many European flights to Australia are routed through Singapore and that is affecting tourism. Some international carriers are reporting that they have lost significant volumes of passenger traffic.

Mr D.F. BARRON-SULLIVAN: I refer to the second dot point at page 861 that states that for various reasons the commission is proactively looking at new initiatives that will provide a similar positive result to counter current crises. There are other references to particular projects and events at page 865. Has the Government been actively pursuing more tourism events for Western Australia in Perth and, more importantly, regional centres? Specifically, what additional funding has been provided in 2001-02, 2002-03 and 2003-04 to actively pursue additional events in Perth and regional areas?

Mr C.M. BROWN: Major events require tendering a long time ahead. We are tendering for an event that will be held in 2007. There is a very long lead time for some events. The event we are hoping to find out about this month is the national surf-lifesaving championships. It is a tough call. It has been held in Queensland for a long time. If we win it that will be great for Western Australia because we will have it for 2007, 2008 and 2009.

Mr D.F. BARRON-SULLIVAN: What other events are you actively pursuing?

Mr C.M. BROWN: In addition to the event just mentioned we are pursuing the indoor athletics event for 2006.

Mr D.F. BARRON-SULLIVAN: Those are two; how many more? What about varying scale events, not just national and international events?

Mr C.M. BROWN: Many events are coming to our notice. We are actively pursuing a number of city and regional events. We have to look to see what will be the tourism impact of those events. Local communities often say that an event will be fantastic, and it is, but only for the local community. If it does not attract people to the area it becomes more an issue of sporting funding than tourism. The funds we make available are to try to attract into an area an event that will bring people in from either other parts of Australia or overseas. We are currently pursuing a number of events to be held in the metropolitan area and elsewhere in the State.

Mr D.F. BARRON-SULLIVAN: Will the minister provide details through supplementary information?

Mr C.M. BROWN: I would prefer not to because all the events are subject to commercial negotiation.

Mr D.F. BARRON-SULLIVAN: The minister must be able to indicate the events.

Mr C.M. BROWN: I know what events are involved. For example, we tried to obtain the Hash House Harriers event but unfortunately missed out. I do not want to answer the member's question in a rush because a number of events are being looked at. I am happy to answer the question if it is put on notice. I do not want communities to get over excited about some of these events because they are hard to obtain. Many of the events are controlled by promoters and are difficult to obtain.

Mr D.F. BARRON-SULLIVAN: I want to know about attracting events to regional areas. The minister's Government was going to establish a regional events unit in Bunbury.

Mr C.M. BROWN: We have done that.

Mr D.F. BARRON-SULLIVAN: What sort of success has it had in attracting events to the south west?

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Mr C.M. BROWN: We are looking at a number of events around the State. Busselton is lined up for an iron-man event.

Mr B.K. MASTERS: A half iron-man event.

Mr C.M. BROWN: I am not sure how a half iron-man event can be held! There is an upcoming international beach volleyball event in Broome. We are looking at something for Geraldton. I think it is the Indian Ocean regional games.

[7.20 pm]

Mr D.F. BARRON-SULLIVAN: I presume EventsCorp has two staff working full-time on that?

Mr C.M. BROWN: No. There is one EventsCorp person in Bunbury as of today, as I understand it. We have made a commitment that over the life of this Government there will be two EventsCorp staff in Bunbury, and by the time we get to the end of our term in government there will be two.

Mr B.K. MASTERS: I think it is fair to say that international tourism is doing it tough at the moment because of SARS and the war in Iraq. It appears from a superficial look at page 861 and the appropriations made by the Government as though there is an increase in funding of almost \$2 million. However, it can be seen from the output and appropriation summary at page 866 that in fact spending is down for this budget estimate period, because the total cost of outputs has dropped from \$45.355 million to \$42.535 million, a decrease of some \$2.8 million. Why is it that when times are tough for international tourism, the Government is dropping the total cost of outputs to such an important industry?

Mr C.M. BROWN: That is a good question. The reason for the differential is that, as the member knows, immediately after the collapse of Ansett and the tragic events of 11 September in the United States, we had a double whammy in many ways. First, people had a great fear of flying internationally and there was a drop in the number of international tourists. Secondly, with the collapse of Ansett, we lost overnight about 45 per cent of the market. Therefore, we were hit within three days with both a major downturn in the number of international tourists and a significant reduction in domestic flight tourism. As a result, this Government - and it was one of the few State Governments that did this - put in an additional \$5 million to assist the industry. That was a one-off grant, but of course it found its way into the budget papers, as is now shown. Therefore, the reason for the differential is that that \$5 million to assist the industry to overcome the events of 11 September and 14 September has essentially gone, because it has been allocated for that purpose.

The figures for Western Australia are very good indeed - or they were very good indeed before we faced the current problem. Last week in Western Australia a major symposium was held of the Australian Tourism Export Council. That symposium attracted a great number of people, which was fantastic. The meeting was attended by the federal Minister for Tourism, Joe Hockey. I must say he was very generous with some of the comments that he made. According to the transcript from the Government Media Monitoring Unit, when he was interviewed by Paul Murray on the 6PR Radio morning program he said -

And I've got to commend Western Australia, commend your Tourism Minister, commend the Western Australian Tourism Commission for what they've done. Because Western Australia has been overall the best performing international destination in Australia over the last 12 months.

Mr R.F. JOHNSON: I will have to have a word with him about part of that comment!

Mr C.M. BROWN: That was a very generous comment for him to make. It was very generous of him to recognise that. Of course he did recognise it, because we are very much aware of the figures that have come out from the international visitor survey. That survey, which is conducted by the Bureau of Tourism Research, showed that while there was a drop - this was before SARS - in 2002 and the market was softer, Western Australia achieved the greatest increase in visitor nights and expenditure by comparison with any other State and Territory. That is very pleasing. We are now faced with a new challenge - there is no question about that - but the reason for the differential is effectively that we have put in those additional funds, and they have now washed through the budget.

Mr B.K. MASTERS: I cannot be quite as complimentary as the federal minister, because it is indicated at page 884 that the amount of money held in investments by the Tourism Commission has dropped by just over \$4 million. I raised this issue with the minister last year, when I said that the \$5 million that the minister was talking about at that time came not from consolidated revenue but out of the reserves of the Tourism Commission. I have to point out again that while I appreciate that \$5 million was made available and while I appreciate that 11 September and the Ansett collapse were serious issues, nonetheless we are suffering as a result of the war in Iraq and SARS. It is therefore disappointing that there is a reduction of almost \$3 million in the total cost of outputs for the Tourism Commission next year compared with this year.

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Mr C.M. BROWN: I remember the debate that we had last year and I remember the member's accounting. We checked on that with Treasury officers, and they told us most assuredly that the \$5 million was not a paper entry but was real money that came into the tourism area. It was additional money, not money that was already there. I would be happy if the member wanted to put a question on notice to the Treasurer to ask him whether the Under Treasurer is willing to certify that an additional \$5 million was made available. The member does not need to believe us. He can ask the Under Treasurer through a question, and I am sure he will give the member the answer, because that money was made available. It was not a manipulation of any surpluses that might be there.

Mr B.K. MASTERS: The budget papers say otherwise,

Mr C.M. BROWN: I am not sure they do.

Mr R.F. JOHNSON: I refer to page 865, major policy decisions. How many EventsCorp staff are based in regional centres, what centres are they based in, and what are the FTE numbers of the EventsCorp staff at each regional centre?

Mr C.M. BROWN: EventsCorp staff travel to the regions as required. One EventsCorp staff member is stationed in Bunbury at the present time, and a second EventsCorp staff member will be placed in Bunbury in the next 12 months or so.

Mr R.F. JOHNSON: That is the only regional-based EventsCorp staff in the whole of Western Australia?

Mr C.M. BROWN: Yes.

Mr R.F. JOHNSON: That runs counter to the promise that the Government made before the election to have EventsCorp staff based in regional centres.

Mr C.M. BROWN: I will look at that. The fact is that there is one EventsCorp staff member in Bunbury, and there will be a second one in Bunbury.

Mr B.J. GRYLLS: I refer to page 861. The second dot point under significant issues and trends talks about the \$5 million crisis marketing funds. What are some of the programs that have been implemented from the \$5 million crisis marketing funds, particularly focusing on regional tourism?

Mr MUIRHEAD: There is a wide range of programs. I will not go through them all. We can, if necessary, provide a full list of them.

Mr B.J. GRYLLS: That would be good.

[7.30 pm]

Mr MUIRHEAD: They range from providing funds directly to regional tourism associations for their own marketing through to major marketing programs focusing on intrastate tourism. There was a significant push on intrastate tourism, and we had growth in that area of about seven per cent. There was a one per cent growth in visitor numbers and about an eight per cent growth in visitor expenditure, which is quite extraordinary given that intrastate tourism has been flat in Australia for years. We also targeted a specific advertising campaign intrastate and a separate one for interstate, which was launched over 15 months ago, to differentiate the market and make sure we were lifting the maximum we could. We also used funds with the various airlines, including Virgin Blue, to leverage them to put more flights into the State. We have used funds to build a better image library, which has been in use for over 15 months, because it had become very dated and was not competitive with our interstate competitors. They are some examples of how the funds have been used. The minister referred to the growth in the international tourism market. We also have experienced the best growth in national domestic tourism expenditure of any other State or Territory.

Mr C.M. BROWN: Campaigns were run advertising country locations, but \$50 000 went to each of the regional tourism associations and \$250 000 went to the Kimberley because operators there were flattened. No Ansett planes coming in meant the Broome tourism went to zero, and it was very reliant on air travel as opposed to a lot of other destinations. We created a tourism barometer that enabled us to measure what was happening in each of the country regions. We presented the \$100 million sale and a major catalogue that all of the industry got behind, and advertised various specials to encourage people to travel intrastate. If the member checks the record, he will find that last year I made a speech about this. As I recollect, I put a schedule with that speech outlining how the \$5 million was used.

Mr B.J. GRYLLS: Will the minister supply that by way of supplementary information?

Mr C.M. BROWN: The member look to see whether it is there; if it is not he can let me know.

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Mr D.F. BARRON-SULLIVAN: My question goes to the heart of the mission statement on page 861 and a couple of other dot points about the wellbeing of the hospitality industry. The question is pretty simple. What programs have been initiated in the past couple of budget years to promote, foster and encourage the development and growth of the hospitality industry specifically by facilitating the understanding of other government departments to appreciate the significant value of this industry to the economy? In other words, what specific programs were undertaken to educate other government departments about the importance of the hospitality industry, and have any specific budget allocations been made for such programs?

Mr C.M. BROWN: Last year we ran the value of tourism campaign. It was a good campaign and it was supported by industry. It focused on various sectors of tourism, such as a month for backpacking and other sectors, and culminated in some sort of prize. It was run in schools; it was launched by me at a very good school - Lockridge Senior High School, which runs a tourism course.

Mr D.F. BARRON-SULLIVAN: What programs were aimed at government departments?

Mr C.M. BROWN: The value of tourism campaign was designed for all the community; I do not put government departments and agencies above anybody else. It was designed to inform the community about the value of tourism, and the hospitality industry is an important component of the overall industry. The value of tourism campaign was a successful campaign. I am not sure whether we will run another one, but that campaign seemed to go down well with the community.

Mr D.F. BARRON-SULLIVAN: Have there been any communications with other departments specifically designed to promote the hospitality industry in this State?

Mr C.M. BROWN: Yes. The Western Australian Tourism Commission is working with a range of other government departments to ensure that officers in those departments are tuned in to the way tourism can work with those areas. Some good work is being done with people from the Department of Culture and the Arts and the Department of Industry and Resources, and there is a joint memorandum of understanding with the Department of Conservation and Land Management. We have had some initial meetings with officers who deal with heritage. We are seeing a nice synergy between some of those areas and tourism.

Mr R.F. JOHNSON: How many meetings have there been with those other departments?

Mr C.M. BROWN: In some cases the officers work in the Tourism Commission. They are seconded into the commission so there is a direct synergy between those departments and the Tourism Commission. In other instances meetings are held directly between commission officers and other departments. Many of those departments and agencies are involved in tourism, because almost every area of life is somehow connected with the tourism industry.

Mr R.F. JOHNSON: Where do these staff who were seconded from other departments to the Tourism Commission register as full-time equivalents - in the Tourism Commission or the departments they come from?

Mr C.M. BROWN: The departments they come from.

Mr D.F. BARRON-SULLIVAN: When does the minister envisage that his department will have made contact with all government departments to impress on them the importance of the hospitality industry?

Mr C.M. BROWN: We are constantly doing that. The Chief Executive Officer has just reminded me that every government department and agency was contacted to get feedback for the national tourism plan for the whole of the industry for Western Australia. They have all been contacted.

Mr J.J.M. BOWLER: At page 877 there is reference to the number of advices provided to government. Will the minister explain that?

Mr C.M. BROWN: They are the performance records that come to ministers; we get 550 ministerials a year. Ten a week seems pretty high, actually. One of the issues raised by the industry from time to time is the degree to which the Tourism Commission should operate compared with ministerial direction. I do not know about the coalition; there is not a coalition these days. However, the Opposition has indicated that should it be fortunate enough to win government next time, it intends to expand the ministry to 17, I think.

[7.40 pm]

Mr R.F. JOHNSON: No, we have not said that.

Mr C.M. BROWN: The Opposition will not expand it to 17?

Mr R.F. JOHNSON: The minister may have said that, but we have not said that. In the fullness of time, the minister will know everything.

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Mr C.M. BROWN: It is very interesting, because at the moment the Liberal Party is promising every industry group that it will get its own minister. However, it is not disclosing to the community the size of the Cabinet it would have. The reason it is not disclosing that, of course, is that it does not want to say openly to people that either it will keep a Cabinet that is the same size as the current Cabinet - in which case it will not be able to deliver what it is promising at present - or it will have to increase it. Of course, it knows that that will go down like a lead balloon with the community. Therefore, the Opposition is seeking to keep this -

The CHAIRMAN: I do not think this is relevant to the question. We will move on, and I will give the call to the member for Collie.

Mr M.P. MURRAY: I refer to the fifth dot point of major initiatives for 2003-04 on page 879, which refers to an Aboriginal tourism marketing strategy being developed. What is it envisaged will be developed?

Mr MUIRHEAD: Basically, we believe that the raw Aboriginal product, the indigenous tourism product, in Western Australia has the opportunity to become the leading product in this State. We have been working closely with the Western Australian Indigenous Tourism Operators Committee, which is a committee of indigenous operators bent on taking their own initiative to improve the quality and diversity of indigenous product. To that end, we have been working closely with the Office of Aboriginal Economic Development. Indeed, we have seconded one of its staff to our nature-based tourism area to work 100 per cent on the development of strategies. Last year we took a significant group of indigenous tourism operators to the Australian Tourism Exchange, and we will do so again in early June this year when we take a group of operators to Melbourne. The Australian Tourism Exchange is a major trade show in Australia. The work of those indigenous tourism operators and the opportunities available were featured at the exchange last year. We have now moved to a stage at which some of the indigenous tourism product, both in the regional areas of Western Australia and in Perth, is featured by a number of the international tourism wholesalers as some of the core product of Western Australia. We are moving along.

Mr J.J.M. BOWLER: Would I be restricting it too much if I asked about the goldfields? Does the minister know about anything specifically in the goldfields?

Mr MUIRHEAD: I am not aware of the specific programs. I know we are working with indigenous product in that area. However, I do not have the full details of that, no, I am sorry.

Mr M.P. MURRAY: I have a supplementary question. Just to top the goldfields, is there anything -

The CHAIRMAN: No, I cannot take a supplementary question. It should be either a further question or a follow-up question.

Mr M.P. MURRAY: I have a follow-up question on that. I would hate to think that the goldfields topped me. Is there anything specifically for the south west?

Mr B.K. MASTERS: Yes, but not for Collie!

The CHAIRMAN: I am sure the member for Collie can take up that question at another time.

Mr MUIRHEAD: There is indigenous product in the Margaret River area on Caves Road. Its name has slipped my mind.

Mr B.K. MASTERS: Injidup?

Mr MUIRHEAD: No, I do not think it is Injidup. We have been working with these people recently. They have had some difficulty getting the product up because of lack of consistency. We have been working with them to develop it. They had an opening about two months ago. There is activity in the south west. However, the name of the product has slipped my mind.

Mr B.K. MASTERS: Is it Wardan?

Mr MUIRHEAD: Yes, it is the Wardan Aboriginal Cultural Centre in Margaret River.

Mr B.K. MASTERS: It is actually in the Busselton shire.

The CHAIRMAN: I will ask a question from the Chair. The first dot point of major initiatives for 2003-04 on page 879 refers to a partnership with relevant government agencies. I believe Mr Muirhead mentioned heritage tourism a moment ago. Is there any development in heritage tourism as such under that dot point?

Mr C.M. BROWN: It is still early stages. However, some progress is being made. The chief executive officer tells me that the Heritage Council is doing a lot of work in this area, but we are providing advice, from a tourism perspective, on the tourism opportunities for heritage areas. There is no doubt that, internationally, there are great opportunities in this area. It is a matter of working with the product in many instances.

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The CHAIRMAN: Is there a time line on that, or is it an open-ended issue at the moment?

Mr C.M. BROWN: We are not sure when this will be concluded. We are leaving it to the Heritage Council to drive this, rather than doing it ourselves. However, we are providing input to the Heritage Council.

The CHAIRMAN: What sort of funding is the Western Australian Tourism Commission putting towards that?

Mr C.M. BROWN: With all these things, when we promote areas we do not allocate a lump of money to heritage, a lump of money to this and a lump of money to something else. We work on developing product to attract people to areas. We then advertise around that product. Mr Muirhead will correct me if I am wrong. However, essentially, the view is that people will be motivated to go to an area for a particular attraction. There might be one or two attractions, and the people might be attracted to the area because of those attractions. The idea is that within that area there would then be opportunities to promote more localised attractions in the hope that people would stay there for an extra day, an extra four days, five days or whatever. We must work out which is the biggest magnet we have, and then advertise around that. We might have a terrific little heritage area. However, in the scheme of things, that may not be as big an attractor as something that is the core attraction. We would still promote the heritage, but we would try to bring people into the magnet and then promote the heritage issues around that.

The CHAIRMAN: The minister has made the point. I understand what he means.

Mr P.B. WATSON: I refer the minister to the first table under output 3, convention and incentive travel, on page 875. Will the minister elaborate on the reason for the significant variation; in other words, to what does the destination marketing campaign refer?

Mr C.M. BROWN: Essentially, the reason for the variation is that we have worked with the Perth Convention Bureau, the Perth Convention and Exhibition Centre, the Department of Housing and Works and the Burswood Casino to develop what we call the convention attraction support team. Mr Muirhead will answer this question. He has the information at his fingertips.

Mr MUIRHEAD: It relates to the convention attraction support team. It was a joint initiative funded by the State Government and the private sector. It specifically targeted major conventions and out of State delegates. We went after them because they are high yield tourists. These conferences must be attended by at least 1 200 delegates. Therefore, they are conferences that would make a significant contribution to the economy. The Western Australian Tourism Commission contributed \$100 000 to this project. The Department of Housing and Works mirrored that funding, as did private sector participants. The program is being coordinated by the Perth Convention Bureau, which provides funding packages of up to \$40 000 to bid for selected high profile, high chance conferences, which are often difficult to go after as they demand very professional bids. The convention attraction support team program will generate not just convention bureau business but also across-the-board business for the whole destination. One of the good things about convention delegates, and the reason we have put this program in place, is that they spend between five and eight times more than the average tourist; they spend around \$600 a day in the local economy. They are extremely desirable to us and we believe this program will deliver significant benefits.

[7.50 pm]

Mr R.F. JOHNSON: What action has the State Government taken to promote Western Australia's marine tourism industry and adventure tourism? How much has the Government expended on such promotions? How have the promotions been undertaken? What has been the impact to the state economy from the promotions? I am referring to the second dot point under the major initiatives for 2003-04 on page 871 of the *Budget Statements*. My final question relates to the public liability insurance issue. Many adventure tourism operators have had problems with public liability insurance. What is the situation for the people who are suffering from this public liability burden, and has the minister done anything to help?

The CHAIRMAN: I remind members to preface their questions with the page number and the dot point or line item to which they are referring, not only for my benefit, but also for the benefit of Hansard.

Mr C.M. BROWN: I cannot provide a precise answer, but I am glad the member has asked that question, because I presented a cheque in Busselton today -

Mr B.K. MASTERS: It was not enough, but I thank the minister anyway.

Mr C.M. BROWN: I understand it is never enough. That seems to have a familiar ring to it. I presented a cheque today as part payment for the Busselton Jetty underwater observatory. That is a great project. The State Government, through the Western Australian Tourism Commission, the regional development fund and the Department of Education and Training, will contribute more than \$1 million to that project. The reason I can



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provide such clear detail about that project is that it is still fresh in my mind; I was involved with it earlier today. There is no doubt that there are many other projects. One thing I have been extremely pleased about is the enormous amount of money now being applied by regional development commissions to tourism in a range of areas. I am happy to provide a list. That is occurring because under our policies, regional development commissions have been given discretionary funding. I am pleased, as the Minister for Tourism, that those regional development commissions are electing to use a reasonable amount of their funds for speciality funding of tourism projects. I cannot provide that detail off the top of my head, but I am happy to provide the list so that the member can see the amount of funding that has been allocated.

Mr R.F. JOHNSON: Can I have that by way of supplementary information?

Mr C.M. BROWN: Yes.

Mr B.J. GRYLLS: Is that the \$400 000 provided to the regional development commissions?

Mr C.M. BROWN: Yes.

The CHAIRMAN: Minister, please state exactly what you will provide by way of supplementary information.

Mr C.M. BROWN: I will provide a list of the grants from the regional development commissions that I believe assist the tourism industry.

[*Supplementary Information No A38.*]

Mr R.F. JOHNSON: And how it is spent?

Mr C.M. BROWN: Yes, it will show how much is spent on each project. It will not just show a lump of money for the whole lot.

Mr B.K. MASTERS: I thank the minister for presenting the cheque today. When the minister comes down to open the underwater observatory in October, I hope he will bring another cheque with him.

Mr C.M. BROWN: I think I have to bring down the final payment.

Mr B.K. MASTERS: I refer to the fourth dot point on page 862 of the *Budget Statements*. A key issue likely to impact upon domestic marketing strategies is the volatility of the Australian dollar. The value of the Australian dollar has gone up in the past few weeks and pundits are saying that it has the potential to go higher. How severe would the impact on tourism in Western Australia be if the Australian dollar hit US70c? I will not mention the person's name, because he is another Liberal, but I was told that when the Australian dollar goes up, it encourages people to significantly increase their domestic tourism expenditure; however, that person could not provide any figures to back up his statement. Is the minister or his staff aware of the confidence that is generated within the Australian community by the increasing value of the Australian dollar, or is that something on which the minister will have to pass?

Mr C.M. BROWN: If I am not correct, the chief executive officer will correct me. For tourism generally, the appreciation of the Australian dollar is not terribly good news either way. On the one hand it becomes cheaper for people to travel overseas. When the Australian dollar was US50c, travellers needed \$A2 for every \$US1. Now that the Australian dollar is worth US65c or US66c, travellers do not need quite as much money. Therefore, a trip to the United States becomes far easier. What is tending to happen with the currencies is that although the US dollar is weakening, it is weakening against a range of currencies, so it is weakening not only against the Australian dollar but also against the Euro and so on. Wearing another hat, I know that is having an impact on the investment decisions that people are making and where they are looking to source things from. Some rethinking is currently occurring about whether some resources on which major capital expenditure will occur will be sourced from the US, curiously enough because in real terms it is cheaper, rather than Europe, where some of it was to have been sourced. In terms of tourism between Australia and the United States, it is not a terrific situation. The countervailing point is that the Australian dollar is not appreciating against the Euro in the same way that it has appreciated against the US dollar. It is unlikely to affect many tourists from the United Kingdom, Germany and other parts of Europe as the value of the Euro against the Australian dollar has not moved a great deal. That being the case, it will not necessarily encourage Australians to go to Europe or discourage Europeans from coming to Australia. In terms of Euros and British pounds, Australia is still a fairly competitive destination. When I was in the UK about two months ago I spoke to an avid tourist who told me that there was not a huge difference between going to Spain and Australia. The situation may have changed a little. Interestingly enough, as the chief executive officer has pointed out, UK tourism to Western Australia grew by 13 per cent last year. If a huge number of tourists were coming from the United States to this side of the country, we would be concerned. However, while the United States is a good market overall, it is more of a market for the eastern States than Western Australia.

**Extract from *Hansard***  
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[8.00 pm]

Mr B.K. MASTERS: Does the minister or his staff have information or even a gut feeling about whether a strengthening of the Australian dollar encourages domestic tourism?

The CHAIRMAN: I have to call an end to this division because we need to move on to the Rottnest Island Authority.

**The appropriation was recommended.**