

**REPORT OF PROCEEDINGS BEFORE**

**GENERAL PURPOSE STANDING COMMITTEE NO. 3**

**INQUIRY INTO TOURISM IN LOCAL COMMUNITIES**

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**At Sydney on Monday 26 August 2013**

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**The Committee met at 8.50 a.m.**

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**PRESENT**

The Hon. N. Maclaren-Jones (Chair)

The Hon. J. Barham  
The Hon. N. Blair  
The Hon. P. Green  
The Hon. L. Voltz  
The Hon. S. J. R. Whan

**MR TOM SMITH**, Chairman, Caravan Club,

**MR GRAEME TREE**, Policy Manager, Australian Caravan Club,

**MR RUDI FUHRMANN**, Chief Executive Officer, Campervan & Motorhome Club of Australia,

**MR VINCENT MORAN**, Chairman of Directors, Campervan & Motorhome Club of Australia, and

**MR KEN KIPPING AM**, Director, Campervan & Motorhome Club of Australia, sworn and examined:

**DEPUTY CHAIR:** Good morning everyone. Welcome to the second public hearing of the inquiry by the General Purpose Standing Committee No. 3 into tourism into local communities. The Inquiry is examining the value and impacts of tourism to communities across New South Wales, including the impacts of tourism on local government areas.

I would now like welcome our first witnesses from the Australian Caravan Club and the Campervan & Motorhome Club of Australia.

Before we go to questions from the Committee, would you like to give a brief opening statement? I just remind you, there is no need to repeat anything that is already in your submission but if you would like to supplement that with a statement, that would be great and then we can open up for questions.

**Mr SMITH:** To us, the Australian Caravan Club, it is the freedom of choice, the variety of choice that our members want to experience when travelling around Australia, in particular in New South Wales. We see that the regulations need to be changed to make it more productive for towns to grab the dollar.

Our research inside our club states that our average person spends at least \$100 per day when travelling. When you work that out, there are about 80,000 to 100,000 units on the road at any one time, there is a lot of money being spent. You are looking at \$8 million to \$10 million a day. So if New South Wales can grab a fair chunk of that, it makes a big difference to rural towns and communities.

I have seen them in my travels, the towns that have gone out to attract that tourism business, are benefiting from it.

For the future, I see a huge positive in the economics. Economics will play a big role in the future of travel in New South Wales where towns that want to pick up and provide the services to meet the demand are going to benefit big time. That is where I think the New South Wales Government can play a big role in enhancing that, by providing the regulations and the laws that will let them do that, and minimising the restrictions on business.

**Mr MORAN:** I will ask Mr Kipping to make his statement on behalf of the Campervan & Motorhome Club of Australia.

**Mr KIPPING:** Thank you Chairman, ladies and gentlemen. The Campervan & Motorhome Club of Australia is the sixth largest recreational vehicle club in the world. We are growing at an enormous rate, sometimes 600, sometimes 800 new members a month, less those that die off and retire and so forth.

It is not necessarily anything we are doing brilliantly, it is just that it is the ageing demographic and people do want to get out there and see Australia. Youngsters tend to go overseas; whereas the oldies want to see their own country, and we should be very grateful they do.

For example, in Queensland last year it was worth around \$3 billion, so it is a lot of money they are spending. I think the tourist bodies are just waking up to what that spend is and they are now trying to attract their business.

The most pressing concern arises from a vacuum in policies and legislative frameworks. Our activities do not appear to fit easily into established policies and frameworks for recreational vehicles.

I will not read all of my notes, Chairman but I am happy to hand it over to the staff in the interests of time.

The Local Government Act 1993, the Crown Lands Act 1989, the National Parks & Wildlife Act have a great effect on recreational vehicle tourism. I think they all need updating. I also think that the caravan park industry needs some sort of review or assistance because of the costs foisted on them, which in turn is passed on to the consumer by very high rates and costs to have their places up to standard you might say.

What is happening that was not there before is that we have an emerging market of self-contained vehicles that do not really need much assistance or they just need some potable water and a level place to stay. They want to get out and see Australia. They are what I call—and I notice Mr Perry on the submissions on 9 August noticed that they are the low fruit, easy to handle and look after first and foremost. If a vehicle is self-contained, then it does not need basically much support.

Please do not just base the recreational vehicle traveller on the economic value, because there is an environmental value too. Most of the oldies that are going around are very conscious of their environment and they do want to do the right thing. I am absolutely convinced of that.

The other thing that gets overlooked is the social impact. Many of the oldies volunteer in communities. I know in Queensland they relieve and the Northern Territory, they relieve some of the nurses on stations who do not get a chance for a holiday. They go out there and they will spend a few weeks or even months because they are self-contained.

It is something that really needs to be addressed. It is just not the money they spend. All they want is—if you want to attract them—encourage and facilitate their safe travel so they can stop and shop in the regional towns that you want. If places do not want them, they should just say so.

If you divide the market up into self-contained vehicles, just normal other travellers that do need the facilities of parks and if they are not self-contained they should look at going to a park. I know we cannot legislate to force people to go to one business over another, and I noticed in all these papers there is nothing about protectionism. You cannot protect one business at the expense of another.

There is certain information there about competitive neutrality, which I believe the figure in New South Wales is about \$2 million. If it is under that it is not considered a large business that attracts the attention.

We want to work with the industry. We also want to work with the communities. One of the things that also is not mentioned is a program called GeoWiki, which is like the travelling bible of recreational vehicle owners. In the past we have had people with motorhomes and caravans that could not spell computer—the oldies. Now it is like unleashing monsters. They have got their tablets and computers and they talk to each other. It is only anecdotal but they are saying that their communication now is as good as the CIA.

So if a place is friendly, they will talk and they will go there and support it. If it is not friendly, they will talk even louder and longer. I think there is an opportunity for New South Wales,

instead of what is happening now where people pass through going to other States, you should try and get them to stop and shop in selected areas that you want to develop and suggest they go these routes.

I go around Australia talking to the various State Governments, very rarely if at all do the tourist information centres plug into that very target market of the recreational vehicle consumers travelling. We are a not-for-profit organisation. We do not want to make any money on this. We do this as a service for members. With the tourist information data, put it on an application and plug it into GeoWiki and then the people who are planning their trips will put the cursor over the towns that are recreational vehicle friendly or supported and they will plan their trips to go to that town. If the mayors and the councils are smart, they should talk to their neighbours to say what do you have that is interesting and build tourist routes so that people can spend time. As a recent study by a Chinese PhD student at James Cook University stated 'You are slow travellers'. There is an opportunity to go through slowly and see what is in those places.

Thank you very much Mr Chairman and ladies and gentlemen for the opportunity to at least present our cause you might say. I think there is a great opportunity for New South Wales.

**CHAIR:** We will now move on to questions, beginning with questions from the Opposition.

**Mr WHAN:** My apologies gentlemen that I was slightly late, due to another part of the tourist industry; that is Sydney Airport.

**Mr SMITH:** I know what you mean; yesterday was exactly the same.

**Mr WHAN:** I am just looking up GeoWiki by the way as well. I just want to start off with one of the key things that you mentioned there, which is we have got contradicting views on a number of items in our evidence. That is about self-contained travellers and the less regulated camping areas, the primitive camping areas and those sorts of things.

You are putting the point of view there obviously that there needs to be more support for those people. We have obviously got a very strong contra-point from others, caravan park owners and so on, who have made an investment in their facilities and they are outraged if councils allow less formal camping to occur around the areas. How would you resolve that conflict if you were the regulators?

**Mr KIPPING:** There are towns that have tried this on a trial basis and the caravan park owners have found that they have also benefited because people are actually staying in those towns because those travellers stay in caravan parks about a third of the time anyway. By attracting the greater traffic, they pick up more business. You cannot legislate to say you must buy from that baker or that butcher. That is protectionism and there are specific sections of national Acts that are pretty strong on that.

The caravan parks like anyone else have to attract and entice the travellers to their areas. It is their choice and if a vehicle is self-contained they are easy to look after. They do not need much, just a little bit of flat ground. If their vehicle is not self-contained, like some of the smaller—I will not name any models, but a lot of the backpacker type vans, and not all of them, but some of them cause a bit of strife, washing the undies in council facilities and so forth. That is not acceptable.

**Mr WHAN:** How would you actually regulate that?

**Mr SMITH:** You have already got the Primitive Camping Act in New South Wales, which allows entities to have two camps per hectare. You have already got that regulation that allows people to set up places for budget camping. We use the words budget camping because it covers a lot of things.

The economics of people travelling slowly is that we need those budget camps because otherwise you will not get people travelling. A lot of us are on a very fixed budget, you would be surprised how many pensioners travel and they only get a pension to live on. They cannot afford to go into expensive places to camp all the time if they are going to travel.

You have got different markets. We are one market, the over 55s and then you have got your family market and they want different facilities. By using your primitive camping regulation you can supply what we need.

**Mr WHAN:** How do you avoid those people who abuse those facilities, who are not self-contained and who do leave a mess?

**Mr SMITH:** Under the Primitive Camping Act you can still have places where you can have dump points and things like that. Our environment policy inside our club, we just say if the powers that be say you have got to collect this stuff, well, you collect it. It does not matter how you collect it, but if you collect it and process it into the appropriate place, what is the problem?

**Mr WHAN:** I guess the point is a lot of the primitive camping areas do not have staff floating around to regulate them.

**Mr SMITH:** Yes.

**Mr WHAN:** Even if people are using roadside stops and so on, how do you actually regulate that?

**Mr KIPPING:** Through you Chair, we have a certification program and now manufacturers; I think we have got two, who are adopting that. That certifies like New Zealand that the vehicle is a self-contained vehicle. That does not also stop bad behaviour. The bulk of people are excellent but you might get an occasional feral who goes off the rails. But the bulk of people, if they have got that certification sticker, that makes a big difference.

We have listened to people like National Parks around Australia, they are saying that the certification sticker was too small and you did not have the registration number put on it. Now we are putting on registration numbers, membership expiry dates, so if you do not have that on then maybe you will not be getting into national parks and some of these other areas.

That is an effort from the industry and I am not sure about Tom's club but there are 155 caravan clubs that is part of that. The National Association of Caravan Clubs and the Australian Touring & Caravan Motorhome and Camping Club have embraced that, that high standard. Different clubs have different standards. We are saying we are aiming for the highest standard and then if, as Tom said, in maybe your situation if someone says well you can dispose of your grey water on the ground, that is fine, we are sticking to the letter of the law, which is much harder and that also discriminates a bit against the vehicles that are not contained.

**Mr WHAN:** There is a difference of opinion over that.

**Mr SMITH:** It is not the letter of the law; it is the letter of your program.

**Mr KIPPING:** What do you mean the letter of the program?

**Mr SMITH:** You say with your system that you have got to collect grey water, but we are saying it is not a law that you have to collect grey water.

**Mr KIPPING:** No, I am saying that when I talk to the environmental people that are making the rules in the various States, they like the high standards.

**Mr SMITH:** Yes.

**Mr KIPPING:** We could easily let it out on the ground but that is not conducive to good travel and gives us a bad name. It is toxic after a couple of days.

**Mr SMITH:** I do not see the grey water as a big issue. I say waste as the big problem.

**Mr WHAN:** I can see where you are heading on that but is it possible to get a consistent state-wide thing which national parks' officers or which council officers can look at and go, that is it.

**Mr KIPPING:** That is why we have done this.

**Mr FUHRMANN:** That is exactly why we have done it.

**Mr SMITH:** And we have done similar with us too.

**Mr WHAN:** You have got a similar one but it is different.

**Mr KIPPING:** Absolutely.

**Mr SMITH:** There is no debate. There is only one area of difference.

**Mr WHAN:** And that is grey water.

**Mr SMITH:** What we are saying is if there is a sign saying you have got to collect it, you have got to collect it. There is no debate.

**Mr KIPPING:** Sometimes the oldies get termed as feral freeloaders; that is not the case. For example, those dump points that are around Australia, \$400,000 was given by Queensland towards those. That is matched dollar for dollar by the individual members of the Campervan & Motorhome Club of Australia and they are a not-for-profit organisation. Those dump points are open to all Australians, whether you are a tourist bus, mum and dad travelling, et cetera. Some of the people around Australia that I talk to are saying to me, Ken that saves us a fortune because it saves us sending out clean up teams to pull all the toilet paper out through the trees and all the rubbish that is left out there.

My point is, the consumers also do not want everything for nothing. They are putting in themselves to try and give back; to say we want to help pay our way too.

**Ms VOLTZ:** I was going to ask about a different point, about the travelling. You were saying about picking them up at certain times. What I am wondering is, a lot of the grey nomads seem to have a migration period. They are travelling north at a certain time of year and they are travelling south at a certain time. They tend to try and tie that into festivals. I am wondering is it about permanent sites or do you have a view about temporary sites?

I know, for example, at Stockton Beach there was a problem because the recreational vehicles were there, which the locals liked most of the year because it brought business into the town, but at New Years Eve that became crazy and in the end you ended up with a blanket: they are not coming there at all because of what happened then as opposed to you could probably get them travelling through in March or in April and that would sit in with the timeframe of when people travel north and come back down south.

**Mr KIPPING:** I think common sense should prevail on this. At the peak season even the caravan parks are full. So where are people going to stay anyway, if they want them to come? That is

a very good point and that should be addressed? What time of the year can you make it more attractive for these travellers to come and stop and shop and do the tourist routes? The tourist information centres, in my opinion, and the tourist bodies should get together and say these are all our festivals, they know when they are on, but the very consumers they want to attract do not even know they are on. It is only through programs like the GeoWiki and the applications that are starting to come out now that they are told they are on, so that people when they are planning their trips—and they do, they sit there, talk and say well we will get 20, 30, 200 vehicles and we will do the round trip of that circuit. They really enjoy that. Those towns and regions that have the little festivals and make it attractive, they will come and support that and then go on with their journey further north.

In fact, it is a wonderful thing because it is like a centipede of travelling bank accounts. They will do their time there, do the festival and then move onto the various other areas.

**Mr SMITH:** In supporting that, on our website we have a section for actually promoting those sorts of things, so our members can go and look on the website and see where there are festivals and things on.

**Ms VOLTZ:** Do you know if they set up any temporary sites for recreational vehicles to coincide with those events?

**Mr SMITH:** Some places do, yes.

**Mr FUHRMANN:** Some do and some do not.

**Ms VOLTZ:** Like the Elvis Festival obviously would.

**Mr SMITH:** Yes. It is supply and demand.

**Mr KIPPING:** We have rallies twice a year and we are running a big international rally in the next couple of years, a huge one. But those people, they go to these towns, one of the ones recently in Queensland was Boonah; it doubled the population. They spend millions in six to 10 days. It is not just that town, it is the feeder towns on the way in where people when they are travelling there, they will stop and those towns that are smart will say this is what we have got going on. When they are going out to the various routes; that also flows. If you make it attractive and tell them what is there, they will go to those places.

**Mr SMITH:** The internal communication is pretty impressive. You have got forums, you have got different chapters and branches inside these different organisations and the communication is pretty impressive.

**Mr KIPPING:** The Campervan & Motorhome Club of Australia alone has 97 chapters all around Australia and growing. Again, as I said, they talk. I have never seen communication like it. They would get a job in the CIA I think.

**CHAIR:** We will move to questions from the Cross Bench, starting with the Hon. Paul Green.

**The Hon. PAUL GREEN:** Thank you Madam Chair. Mr Smith, instead of going through your submission I just wanted to go straight to your introductory comments. You talked about regulation change.

**Mr SMITH:** Yes.

**The Hon. PAUL GREEN:** What regulations? Which ones specifically, how can we help?

**Mr SMITH:** I will pass this to Graeme.

**Mr TREE:** One regulation is the Local Government Manufactured Homes Caravan Parks Camping Grounds and Moveable Dwellings Regulation 2005 I think has not really kept pace with the developments of recreational vehicles over the years, because it still specifies certain standards for caravan parks. For a general camping situation that is all fine but it does not consider the self-contained recreational vehicle and if those regulations become more fluid and accommodating, that is going to help the caravan park industry provide the services that we seek and require at appropriate costs. So that is going to have a win/win situation across the board as I see it.

**The Hon. PAUL GREEN:** Any other regulations?

**Mr TREE:** That is the major one.

**Mr KIPPING:** I am happy to leave you with this report.

**The Hon. PAUL GREEN:** Table that?

**Mr KIPPING:** Yes, the lawyers' report who looked at this. They go through it in fair detail; your own people could look at it and make your own minds up.

**The Hon. PAUL GREEN:** Mr Kipping, you said there is a vacuum in policy and framework?

**Mr KIPPING:** That is what that is about. They go through all of that.

**The Hon PAUL GREEN:** Could you make a brief comment, maybe a bit of a headline of exactly the major vacuum in it rather than the small print, because we can look at that obviously ourselves?

**Mr KIPPING:** There is a fair bit of vacuum in that. There is a fair bit of openness to interpretation. One thing I would like to do is compliment the police because they have said that road safety overrides any of this, if you are tired, you should be able to stop and not kill yourself or someone else. That is right around Australia. The police have been excellent.

**The Hon. JAN BARHAM:** Is this in reference to the use of rest areas and the camping in non-regulated camping grounds?

**Mr KIPPING:** This is when they are tired travelling.

**The Hon. JAN BARHAM:** So rest areas?

**Mr KIPPING:** There are not enough rest stops anyway.

**The Hon. PAUL GREEN:** Can I just pick up on that point because I had some relatives that went around Australia for six months, a family and they said it was very hard the amount of formal legal spots to stay without costing you, just to have a rest which obviously interprets to safety. Can anyone comment on that and what can we do?

**Mr KIPPING:** You asked me a specific question so I will answer your question. The Local Government Act has provisions relating to the installation of campervans and the operation of caravan parks and camping grounds. However, as self-contained recreational vehicles are not installed, and the definitions of caravan parks and camping grounds also rely on the concept of installation, they fall outside these provisions.

Similarly, the Crown Lands Act prohibits residing on public land and the erection or use of structures on public land under certain circumstances. However, short term use of recreational vehicles does not amount to residing and recreational vehicles fall outside of the definition of structure. There is no positive statement that there transient use of public land is permissible.

Finally, the National Parks & Wildlife Act 1974 permits a Minister to remove a structure erected, placed or maintained on prescribed land without authority. That does not address vehicles which are not structures, and so it goes on.

**Mr SMITH:** The thing about rest areas is you need to make them efficient and productive. You need to have a rest area that provides an area for trucks, for your normal traveller and for your recreational vehicle. That way you put your tables where the normal travellers go, you do not need your tables near a recreational vehicle area because we have already got them on board and if you put a toilet block in there, which I strongly urge you to do, because it reduces your mess big time—if you go into South Australia and you see rest areas where there is no toilets, you can light a fire up with all the waste there. We were tempted once to chuck a match out there just to get rid of the rubbish.

One area that you can really make good use of is when you are doing road works you have a camp area and normally they rip it up afterwards. Turn it into a rest area. I can name you one beautiful spot where they planted trees up near Armidale, it would have made a terrific rest area because there is quite a long piece of road that was made redundant, and it was two lanes, so you could have people resting on one side of the road and people driving through when they wanted to move on.

**The Hon. PAUL GREEN:** With the toilet facilities in your experience, are there self-composting ones?

**Mr SMITH:** Yes and they work quite well on the whole. You are still going to get feral people who will not do the right thing but if you provide the facilities you have got a lot less mess, I can assure you.

**The Hon. PAUL GREEN:** In light of quite quickly hearing that summation of what you are saying, has there ever been a special task force put together with the nomad situation in mind?

**Mr KIPPING:** Not to my knowledge in New South Wales.

**The Hon. PAUL GREEN:** So you would welcome a special task force to work through those regulations, work through the issues that you are bringing forward this morning?

**Mr KIPPING:** Absolutely.

**Mr SMITH:** Yes. Government can play a huge role in making it more attractive, just by way we are discussing.

**The Hon. PAUL GREEN:** Absolutely, that is why we are holding this Inquiry. The Minister was of the same view I am sure.

**Mr KIPPING:** If you do not involve the consumer, and that is why I think it is terrific that you are talking to us today, to hear the people who actually do the travelling. There is a lot out in the industry that it is caravan parks that put a lot of money into the communities, well they could not do that without travellers staying in their parks. That is why we are making a concerted effort to work closely with the caravan parks and the industry, because I have even had manufacturers come to us saying we don't want to cheese you guys off because you buy our vehicles. 20,000 new caravans were built last year.

**Mr SMITH:** Recreational vehicles.

**Mr KIPPING:** Caravans. This market is booming, plus you have got the motorhomes that are out there. Again, we talk to our international sister clubs, like in New Zealand they have a separate Act guaranteeing freedom camping. Maybe we should look at something like that here. No one wants to not go to caravan parks. It is not as though anyone is saying don't go to a caravan park but the caravan parks are in business like everyone else and they have got to attract the consumer. Maybe the laws are keeping their costs very high and they do need to be addressed. When I say the laws, the environmental standards and the requirements to get a licence is very, very expensive and of course they are passing that on.

One of the frustrations, and you can see how we sit, this is a garbage bag that when we travel, in conjunction with Clean Up Australia, our Chairman's mateship with Mr Kiernan who was behind it, our members were filling this up, leaving it, to do the right thing in the leave no trace spirit, putting it beside some of the council bins and some of the people would come and say no we don't want to pick that up, we don't know what's in it.

So you can see where the people are so frustrated travelling, that it needs some sort of overall, be it committee, to work this through and to seize the opportunity of these travellers.

**The Hon. JAN BARHAM:** Can I just follow up on a few issues. One of the issues I am concerned about, because I have seen it happen, is where there are other users of these areas, if you are provided with free areas or the use of rest areas, what about the other people in the market place, the Wicked vans, Brit vans, Jucy, those ones? To provide for your market, which I accept is an older, more mature, responsible market, there is still that younger market in these vans, how can you see a way around this?

**Mr FUHRMANN:** I think it is largely about signage and making people aware of the situation at the time. This is why we are talking about self-contained vehicles, recreational vehicles in a sense. Once you go down that track like you just suggested, Wicked, Spaceship and Jucy, they are Kombi vans, obviously without grey water or without their waste water facilities. As long as the signage is out there, at the end of the day, somebody has to police it. We had the same situation in New Zealand that we faced down there.

I would like to point out we have only about five per cent of the entire recreational vehicle market being involved in the non-compliant vehicle environment, that is Kombis. Over 80 per cent of all hires which are being done out of 5,500 vehicles roughly, which are non-compliant in the sense without the grey water tank, have a situation which is being patronised by the international travellers rather than by the domestic travellers. When we are talking about here, we are talking about something which needs policing at the end of the day. There is no doubt about it in my mind.

But we have to give these rest areas a clear identification; that non-compliant vehicles or non-self-contained vehicles cannot park here.

**The Hon. JAN BARHAM:** You have made a reference to an 18 hour limit in rest areas.

**Mr SMITH:** We did and we are saying we have got to look after all sectors of the markets and there are a lot of people who do not have the sized vans that can be fully self-contained. That is why we have got our policy on the environment is to make people aware of the environment and do the right thing.

**The Hon. JAN BARHAM:** You represent non-fully self-contained vehicles?

**Mr SMITH:** We represent the whole market. We have got members who have got vans who cannot have a permanent grey water tank on them but we are saying it is alright if you want to park in an area where the law has said you must collect it, you collect it in a sealed container and dispose of it

appropriately.

If you provide the facilities, like toilets and you put education out there and you ask these different suppliers for the rental business to help by providing documents, you will find people will pick it up.

**The Hon. JAN BARHAM:** What I do not understand is if you provide those sorts of areas, then why would people go to a caravan park? In terms of the commercial area of it, we have got specific caravan parks, if you provide these free areas or cheaper areas, what impact are you going to have on the existing industry?

**Mr FUHRMANN:** The infrastructure of a caravan park is entirely different to what we are talking about here.

**The Hon. JAN BARHAM:** We are talking about different sectors of the market here.

**Mr FUHRMANN:** We are talking about the freedom of choice; we are talking about the option which is out there, with minimum facilities provided. In caravan park sites we are talking about something completely different because we have the infrastructure in place which is more or less a hospitality environment at the end of the day.

**The Hon. JAN BARHAM:** In some, yes but you are talking about self-contained, whereas you are representing some of the others that are not fully self-contained, is that right?

**Mr SMITH:** Well, our membership has the whole lot and I would assume some of your members are the same.

**Mr KIPPING:** I think just being up front, we have got 65,000 members, about 3,000 and something caravans. Tom, your club has got about 3,000 members in total.

**Mr SMITH:** Yes.

**Mr KIPPING:** You will hear from other caravan clubs. One of those clubs has 155 other clubs beneath it and they are part of MoTOURing. We are trying to get one high standard so that people know exactly where the industry is coming from. Some of our vehicles are not self-contained. Now my personal view is tough biscuits. If you are not, you go to a caravan park or somewhere where you can be looked after properly.

It is some of the feral behaviour that we are trying to eliminate, because that gives everyone a bad name.

**Mr SMITH:** This is disappointing because we have to disagree on that particular point.

**The Hon. JAN BARHAM:** You are allowed to disagree.

**Mr SMITH:** Because we can do just as good a job and provide a perfect environmental result by not having—

**The Hon. JAN BARHAM:** If you have a holding tank?

**Mr SMITH:** We do not say what type of holding tank it is, as long as you do it, provided it says that you have to do it. We are giving flexibility because we want people to be able to travel.

**Mr MORAN:** I might remind you that a third of self-contained vehicles, a third of our members spend their time in caravan parks by choice. It is not a question you are in a park or you are

not in a park. You stay at a caravan park one night in three statistically. I know we certainly do when we have travelled. We will make our choice to stay in a park or we will not stay in a park. But I would resent being told I have to stay in a park when I do not need to. But my wife says, hang on, let's stay in a park because we will stay there for a few days and look around the town and spend some time in the district. Obviously a park suits that purpose.

**Mr KIPPING:** Rudi has undersold his background. He was a senior executive with KEA in Africa, New Zealand and Australia. No one would know that travelling market, rental market probably better than anyone in this room. If you want to hit him for something while he is here, pick his brains.

**CHAIR:** Mr Tree, did you want to make a comment?

**Mr TREE:** Just a brief comment. I agree that eight out of 10 members would use caravan parks in a similar manner. The roadside rest areas and so forth for overnight camping; free camping per se is essentially used if you are travelling from point A to point B. It is often much more convenient to be able to pull over into one of those safe spots and spend the night, get up and continue on in the morning as opposed to going into a caravan park. It is quite inconvenient often to actually use caravan parks in those situations.

**Mr MORAN:** As far as your point about the task force, that strikes me as being an essential move forward because the Government has done things piecemeal. The New South Wales Government has given us \$100,000 contribution to dump points in this State, which we match dollar for dollar, but that department is not talking to that department.

The Lands Department has told me that they will not support putting dump points in in some of the outback areas. But they do not have the support anywhere else to get those, because there is no sewerage in a lot of the areas they want them put in. It does need to have a concerted look at the whole thing, which I presume is what we are starting to do now.

**The Hon. PAUL GREEN:** It sounds like a good recommendation.

**Mr SMITH:** I just want to make a comment that if you over-regulate you are going to ruin the industry. If you start staying you must do that, you are going to find people will say we are either going to sell our van or lock it up in the shed and not travel or we will go to other States.

**The Hon. PAUL GREEN:** It is a fine balance.

**Mr KIPPING:** I disagree on that. I think so long as it is clear. At the moment it is not clear. The police are not sure. Councils are not sure. Vested interests can create their own arguments to make it even more confusing. Just clarify what they can do and what they cannot do.

**CHAIR:** We might move to questions from the Government, starting with the Hon. Niall Blair.

**The Hon. NIALL BLAIR:** I can understand there would be differences in the detail when we talk about accreditation. Let us not talk about regulation at the moment. But there seems to be genuine agreement though that accreditation is something that would benefit the industry. Is that something that you all agree on?

**Mr SMITH:** Education.

**Mr FUHRMANN:** Absolutely.

**Mr SMITH:** You can have accreditation but if you get the guidelines right and people follow them; it is the results you want. It is the environmental results.

**The Hon. NIALL BLAIR:** We can sit here all day as a Committee and we can disagree on the implementation and we can disagree on the definitions, but what we need to do is to be able to make clear recommendations to move this forward.

Your industry obviously are here doing the right thing because you are representative of a large number of people and I can understand that you speak on behalf of many different people trying to do the same thing. There are always going to be some that do the wrong thing, and I will come to those in a minute.

But we need to start to get some clear ways as to how the Committee can move forward. I just want to go back—is an accreditation where vehicles carry some sort of identification to show that they are a safe bet for a council or the government to allow to pull over and spend the night in a rest area or an area that does not have all of the built amenities like a caravan park. Is that something that we can look forward to?

**Mr KIPPING:** As the largest recreational vehicle club in the southern hemisphere, we say yes. You do need an accreditation program so that it is clear to all concerned if a vehicle is self contained or not, as well as what Tom said, the education on behaving properly. New Zealand has it, other countries have it and it is just common sense that we do that?

**The Hon. NIALL BLAIR:** The Australian Caravan Club?

**Mr TREE:** The Australian Caravan Club has an accreditation process as well. There is a slight difference with the Campervan & Motorhome Club.

**The Hon. NIALL BLAIR:** This is where we are going to have the problems with implementation. I am talking about the easy stuff here at the moment.

**Mr SMITH:** Basically our policies are very similar but you are still going to have to think about the person who is not going to go down that line.

**The Hon. NIALL BLAIR:** Absolutely.

**Mr SMITH:** And they have every right to rest and manage fatigue, so therefore by education and getting them to do the right thing is where you want to go.

**The Hon. NIALL BLAIR:** Sure but in order to be able to educate, we need to obviously understand what the parameters are first.

**Mr KIPPING:** That is right.

**The Hon. NIALL BLAIR:** We cannot just put an education process out there without having some boundaries, because again with education, you need to be able to enforce whatever we are accrediting. Agreed?

**Mr SMITH:** We have developed a resting policy that we have put in our submission which basically gives you guidelines and I have heard of one council using it to sort of say you can only stay in a certain area for so long because it is fatigue management, it is not a camp. So I think those sorts of things, yes agreed and as I said, you want people to do the right thing.

**Mr FUHRMANN:** I just want to say in order to police it, we have to have a law; we have to have accreditation otherwise we have a grey area and the judgment could go either way or be up to interpretation at the end of the day, I think we should have accreditation. That is absolutely essential because we want to weed out these international tourist problems which we have in the Kombi vans, because then the police or the ranger, whoever, the council, can enforce what the law says.

**The Hon. NIALL BLAIR:** Are any of those organisations that hire these Kombi vans members of any of your associations?

**Mr FUHRMANN:** No.

**Mr SMITH:** No. They are commercial.

**Mr FUHRMANN:** Purely commercial enterprises, the rental car companies and they should be dealt with again under the law, because if they do not have the law, if they do not have the accreditation there is a weak spot.

There is a general communication out there to do the right thing. This is what all the rental car companies do. They are responsible for that but in order to enforce it, in order to have the law attached to it, the accreditation is essential.

**The Hon. PAUL GREEN:** They are the sort of people that manage fatigue over a week on one particular beach.

**Mr FUHRMANN:** As I say, it is a very small percentage compared to the recreational vehicle industry. We have close to 500,000 recreational vehicles in this country and we have roughly about 7,500 recreational vehicles in the rental environment. That is the proportion at the moment. Of this 7,500 you have about 2,000 to 2,500 which are Kombi vans which are not self-contained.

**The Hon. NIALL BLAIR:** I would hazard a guess that most of the media reports and the problems that I have read about, particularly in the last five years, have not been a retired couple travelling on the way to Queensland stopping off at Forbes and Parkes. It would be the Kombi van overseas market camped on a beach in a local government area for a week at a time.

**Mr FUHRMANN:** I think it is quite obvious, once you look at the numbers, once you look at 500,000 recreational vehicles travelling in this country which are Australians basically on the road. You look at 2,500 travelling, that is international tourists. The pro rata percentage of the complaints which are coming through, the minority travelling is by far larger than the majority travelling and I think we have to recognise that. We should deal with that as well.

**The Hon. NIALL BLAIR:** Under your different systems, how do you address the issue of pets, dogs and cats or whatever the people are taking with them?

**Mr SMITH:** They have to abide by the rules.

**Mr KIPPING:** Many of the oldies do have pets now. It just blows me away. I am only a relatively new grey nomad. We have a 92 year old rat of Tobruk travelling. We have a lot of 80 year old ladies, single ladies that have lost their partners travelling and a lot of them have pets.

There was a case in another State where a lady pulled up, she was tired and she had a pet. The park ranger came around and in no uncertain terms berated her and told her to go to a caravan park. She tried to get into a caravan park but they said no, we do not take pets. So she had to go and pull up somewhere and the policeman was excellent. She was on medication so she had to rest. As one of our bush lawyers said, I would hate to be the council park ranger who told her to move on if she

died when clearly she had medication and she had to rest. It was a dire situation for that lady.

**The Hon. NIALL BLAIR:** So how does your policy or regulation deal with that? We will come back to your policy Mr Smith as well.

**Mr KIPPING:** We have a very clear pet rule and again on GeoWiki, people think that we do not support caravan parks. That is not the case.

**The Hon. NIALL BLAIR:** What is your pet rule is what I am getting at?

**Mr KIPPING:** If you go to a caravan park, you have it on a leash.

**Mr MORAN:** It must be on a leash.

**Mr KIPPING:** It must be on a leash. They are very responsible. It is not like they have a wild dog running around. They are normally little puppy poodles and things like that.

**Mr SMITH:** We just did six weeks and because we are semi-retired farmers now, our best farm dog just did a six week trip with us. She lives outside the caravan on a lead. We only let her off if it is in an off leash area or I can find a friendly farmer who will give her some work. But if she makes a mess, we pick it up straight away and most people are great with their pets.

**The Hon. NIALL BLAIR:** So what is your policy, your rule?

**Mr SMITH:** We have a policy; it is mainly to do with pets around food. Pets are not allowed to be around food during happy hour and things like that and the pet must be under control. If you have got a pet that is a pain in the backside—

**The Hon. NIALL BLAIR:** I am sorry I did this, because now I have opened up the specifics again.

**Mr SMITH:** The pet has to be well behaved and do the right thing. What more do you want?

**Mr KIPPING:** We are happy to give you our written pet policy. I have not got it with me but Rudi I am sure will send you that.

**The Hon. NIALL BLAIR:** Do we have both of your rules with your submissions? I could not see them?

**Mr SMITH:** Not on pets, no, but we can send them.

**The Hon. NIALL BLAIR:** No, your whole rule book basically.

**Mr WHAN:** Code of conduct.

**Mr SMITH:** You have been given our resting policy, our camping policy, our access policy, plus our submission.

**The Hon. NIALL BLAIR:** That is the same with your organisation?

**Mr KIPPING:** You will see, as I said there are another approximately 155 caravan clubs just under that other one club. They are adopting our policy nationally as part of MoTOURING. We are trying to get some standards so that Government can deal with it basically, even though the entities are spread and they will always be separate, but at least through one body like in New Zealand, like in

other countries.

**Mr MORAN:** Our pet policy is very specific, the length of the lead, as Tom said, we agreed no pets around food and clean up but it is one of our policies, written and stated.

**Mr WHAN:** Is not the logical policy though that you only take them where they are allowed, whatever the rules of the place you are at are?

**Mr SMITH:** You cannot take them into the national parks because that is what the law says. That is a beef though. We wanted to go into a particular wetlands in Queensland and when we get to the gate after driving seven kilometres down a dirt road, it says no pets. Why did they not put the sign on the front?

**The Hon. JAN BARHAM:** It was probably on the front if you looked beforehand.

**Mr SMITH:** No it was not.

**The Hon. JAN BARHAM:** Well the national park does not allow pets; that is a general rule everywhere.

**Mr SMITH:** We did not know it was a national park, it said a wetland and we were going to have a look at it.

**CHAIR:** Moving on from that and on the area of national parks and signage. Just more broadly, have you got any feedback from your members about tourist signage and travelling across New South Wales and also the maintenance of facilities and rest areas?

**Mr KIPPING:** The members look for first of all on GeoWiki at the recreational vehicle Friendly Town signs and they are standard around Australia, a blue and white sign and they know if a town or a place is recreational vehicle friendly, they know what facilities are available there. Rudi, you wanted to say something before.

**Mr FUHRMANN:** I think you moved on, sorry Ms Chairman.

**CHAIR:** Overall are people finding signage adequate and the same with general maintenance across the State?

**Mr SMITH:** No.

**Mr KIPPING:** It is confusing.

**Mr SMITH:** Inside our club we have set up a town support system where if a town wants our advice, they can come on and talk to us and it will be a case by case basis. We will help them work out where to put signs, where to have long vehicle parking areas, where other facilities are needed, et cetera, and what shops need parking outside. So we are providing that service on a town by town basis, to make it easier for that town to make it more attractive for us to come to.

**Mr KIPPING:** There is an actual main roads policy they are trying to put together too, so there is some commonality between the States and signage and where to go and what to do.

**Mr SMITH:** It is very important that the signage is there so we know where we can go and park and towns that provide long vehicle parking areas are going to pick up the money. As I said earlier, it is economics. If a town wants to pick up that dollar, they will provide the service.

**Mr KIPPING:** Again, that is on GeoWiki. It will give you the size of vehicle that can fit in

those parks, whether you can have a dog, whether you cannot have a dog, et cetera. There are a lot of things like that out there but the difference is—as one of the professors of tourism told me—you fellows have something no one else has got and that is 10,000 people going around Australia (at any given time) keeping these spots up to date.

**The Hon. PAUL GREEN:** GeoWiki if I can just ask, that is g-e-o-w-i-k-i and that is on the phone app?

**Mr KIPPING:** No, that is the big planning thing. They are in the process of doing the phone app. At the moment we also are putting it on GPSs so when the oldies like us are driving along and approaching a town, it will say caravan park facilities, what is available, before they get into the town.

**The Hon. PAUL GREEN:** This is not happening now?

**Mr KIPPING:** That is happening right now, putting it on the GPSs.

**The Hon. PAUL GREEN:** Where do we find GeoWiki?

**Mr KIPPING:** Under GeoWiki. I will send you some details.

**CHAIR:** Unfortunately our time has expired for questions. Is there anything that you wanted to table, any other documents?

**The Hon. NIALL BLAIR:** Do you want to table your opening statements?

**Mr KIPPING:** I am happy to give you what I was going to read out prepared, yes.

**CHAIR:** That will be great.

**Mr KIPPING:** Anything else that you need, we are happy to give you, in the spirit of it and working together to get it better. Because most of our members live in New South Wales and they go visiting other States. I think there is an opportunity to get them to stop and have a look in New South Wales.

**CHAIR:** Thank you very much again for appearing this morning.

**(The witnesses withdrew)**

**MS LYNDEL GRAY**, Chief Executive Officer, Caravan & Camping Industry Association, and

**MR THEO WHITMONT**, President, Caravan & Camping Industry Association and Manufactured Housing Industry Association, sworn and examined:

**CHAIR:** Before we commence questions, would you like to make an opening statement?

**Mr WHITMONT:** Yes, if I may. Ladies and gentlemen, our association, the Caravan & Camping Industry Association, represents the interests of over 650 businesses associated with all aspects of the caravan, camping and manufactured housing industries in New South Wales.

In the year ending March 2013 there were 10.6 million domestic visitor nights spent in commercial caravan parks or camping grounds and those 10.6 million nights were consumed by 2.2 million visitors. Twenty seven per cent of holiday nights in regional New South Wales are accommodated by caravan parks and commercial campgrounds, which makes our industry a key player in regional tourism in the State.

Our association has 450 member parks and around 50,000 short term campsites being represented and available each night. The average rate of occupancy for caravan parks is 54 per cent for short term sites.

Our member parks operate under New South Wales legislation which sets stringent rules under which commercial caravan parks can operate. Parks in New South Wales are required to have a dump point if they are in a location that is connected to sewer and there are also safety requirements, including those around separation of tents and vans to protect the spread of fire and the installation of fire fighting equipment. These help to ensure the preservation of the environment and the safety of our guests.

A major issue that we wish to highlight today is the proliferation of non-compliant camping, which is having a very large detrimental impact on the caravan park industry. Non-compliant camping entails the overnight stay in areas not designated for the purpose.

We want to clearly make the point that compliant and free sites exist in locations across the State and we have no problem with those. Our issue is where areas of land are being used or promoted as campsites but without any formal approvals for that type of use. In many instances these free services to visitors appear to be sanctioned by council through their lack of enforcement of the land use requirements.

It is our contention that the continued use of these non-compliant facilities is having a detrimental effect on existing parks and compliant caravan parks, and if it is not addressed, it will lead to withdrawal of caravan park infrastructure throughout the State.

Caravan parks are very important small businesses in regional towns. They employ local people, pay local rates and buy goods and services locally. We have research which we are happy to table today, with your permission, undertaken on behalf of the industry that shows that every dollar spent in a caravan park is then churned back into the local economy with a spend of \$1.38 by that business. That is above and beyond any money that the consumer may spend in the town.

However, it is not simply possible for a compliant business to compete when services are being provided free of charge or at a rate that is not commercial.

Caravan park owners are required to invest significant capital in their business and they add to the appeal of the local township and refer their guests to other local businesses such as restaurants, attractions and tours.

We certainly do not wish for special protection. We only seek an equal playing field to ensure the long term viability of this important piece of tourism infrastructure in New South Wales.

**CHAIR:** I will commence with questions from the Opposition.

**Mr WHAN:** Thank you Chair. Your opening statement went to the conflict between the previous witnesses and yourselves with the issue of unregulated camping areas. Can you clarify for me what you mean by compliant free sites existing you have no problem with those? Do you mean essentially that you want all free sites or primitive camping sites to go through an approval process with councils or do you want to see them have more facilities and charge and so on?

**Mr WHITMONT:** No, certainly not. Thank you for that. The situation for us is that as a business operator there are certain standards and guidelines which we are required to provide for the environmental protection and safety of consumers in the general environment. The concern we have is that there are other areas of land being made available to provide the exact same service, for example, the local showground, where there is no requirement for fire protection, for separation, for toileting, for garbage collection; all of which we are required to provide.

If a local showground wants to go through the normal application process, we would support that. If they want to provide that service—fantastic! Where we have trouble is we have members who are required to perform to a certain standard for a good and proper reason but then local councils or others see fit to go and provide the same product in competition but do not require of themselves the same standards of public safety or environmental protection.

**Mr WHAN:** But if someone is in a self-contained camper and is taking out all their waste, why should they be paying for those other services? Why should they be going to a facility that provides all the other services?

**Mr WHITMONT:** We do not have any problem with primitive campgrounds, no issue at all. There is quite a deal of market response to providing a more simplified product for that market. We say that should be around market forces. If there is a demand, then let the market supply it. If there is a market failure, then certainly the Government should get involved in the provision, but what we have got is a two speed race going on.

We have got councils going around and saying to park operators you must provide this level of service; you have to provide it. We do not get a choice. We cannot pull out our fire extinguishers and our fire hose reels, and nor would we seek to. Yet four kilometres closer to the town centre there is a showground and they are saying come on in. Not only come on in, come on in for free or at a heavily subsidised rate.

The issue with that is market forces will come into play and that valuable piece of tourism infrastructure will be withdrawn. Unfortunately we hear time and time again that the industry is moving away from powered sites and going to cabins. The reason for that is you have got council down the road providing free sites. How can we compete with that? But the long term impact of that of course is that people who are going to those free sites want to come into a park every third night, discharge their water, recharge their tanks, charge their batteries, do their washing but if we continue to allow a circumstance where we cannot compete because it has been given away for free, then that product will be withdrawn and there will not be parks to go in every third night.

If those parks withdraw then this whole concept of people going around New South Wales and popping into parks every three days will have a wrecking ball put through it. People will not go. It will be a far less easy and friendly trip if there is nowhere to stop for six or 10 days. We need parks to be allowed to be viable. We do not seek protectionism.

**Mr WHAN:** Is there an alternative way of charging, for instance, on the volume of waste being dumped and things like that?

**Mr WHITMONT:** Absolutely and many parks do it. I think it is interesting to note, there are lots of parks that have a simplified site system and the Campervan & Motorhome Club of Australia and many park operators are in negotiations as we speak where they say send us down the back, we do not want those facilities. There are park operators who are prepared to provide that. The difficulty is where the council is already providing it and not requiring of themselves the same standard of health and safety environment protection.

**Ms GRAY:** Can I also make the point in regards to, for example, the free sites being

provided by council, the Crown land policy on that is that all facilities on Crown land that are used for tourist accommodation, including showgrounds, must be approved. So they have to have gone through some approvals process. What we are saying is these are ones that have not gone through an approvals process at all.

**Ms VOLTZ:** The showgrounds that you are talking about, they are temporary showgrounds as opposed to permanent or are these permanent facilities?

**Mr WHITMONT:** They are permanent showgrounds and consumer organisations have a bit of a knack of rolling up to the regional tourism officer and saying if you provide free facilities we will direct our members; if you do not, we will black ban you. We have heard that in the event that a town is not considered to be compliant or friendly, then we will black ban, we will drive past you.

The fallacy in that argument is as more and more towns choose to flout the law and provide facilities in an unregulated manner; they lose any competitive advantage that they might have. Certainly if there was one Mecca in regional New South Wales where you could go and stay for free, well and good, I am sure that would attract business but the fallacy of this economic argument is that you will get people coming to stay in your town if you offer it cheap or free, but they go to all towns and say you must offer it cheap or free. So really what we have got is a consumer group saying, give it to us for free because there are a lot of us.

**Ms VOLTZ:** Is there a conflict though here between towns where you get a lot of tourism traffic, such as on the east coast and towns in the western plains. Lynda will be across this argument, where they actually have a huge difficulty attracting tourism into those towns and really want to drive some more tourism that they may set up those facilities?

**Mr WHITMONT:** We would have no objection to that. We would encourage any town if they thought that it was to their benefit to invite tourism, and we appreciate the value of the tourist dollar because we both contribute and benefit from it. All we say is it should be under the same regulatory framework as everybody else.

That is not to say we would object to a diminution in the regulations required of park operators, but while on the one hand the Government goes to park operators and says you must provide these 10 things and then five kilometres away for the same consumer, for the same product, says well you do not have to and the ratepayer can subsidise it. How can we possibly expect that tourism infrastructure to remain?

**Ms VOLTZ:** But are the ratepayers not driving those things out? I again go to the Stockton Beach example where you were getting a lot of recreational vehicles pulling up on Stockton Beach, there is a caravan park there and in response to ratepayers' concerns those recreational vehicles are now no longer allowed to park on that beachfront there. So they are regulated into either the caravan park or to another site?

**Mr WHITMONT:** Well it is an interesting debate. Mr Fuhrmann was the only one who I think really eluded to the reality of this accreditation system and where people should go and where they should not go. I presume we will talk about accreditation shortly because we do have some views on it.

The issue for places like Stockton beach was abuse. It is human nature. People get away with what they can get away with. Putting a sticker on the side of somebody's van does not make them get away with less or perform better. There are people who will never be accredited and will be very careful of the environment, very protective and follow the rules. Putting a sticker on the side of a van does not make them otherwise.

In the event that you do put a sticker on the side of a van, you need someone to police it and that is one of the big issues we have. We see people parking at Bondi Beach or Randwick, whatever it is, all well and good overnight; there are no rangers. I can provide you with town after town after town who says it is regulated to the extent that people can stay short term, we are happy for them to stay short term—and for clarity, we have no issue with safety stops. It is appropriate that people be able to stop.

But what happens is the rangers go home at 4.30. The police are certainly not going to deal with it. They have got real issues to deal with. They have got domestic violence, car crashes and whatever else it is that is going on. They are certainly not interested in driving 10 kilometres out of town to ping people for parking overnight, and they do not.

You can ring the overnight number and say there are six people here and this place is designed for five or there are 50 and it is designed for 30—nothing happens.

**The Hon. JAN BARHAM:** Can I go to that point where you are obviously aware of these areas of non-compliance.

**Mr WHITMONT:** Yes.

**The Hon. JAN BARHAM:** Have you made that information available to a State body or have you pursued that?

**Mr WHITMONT:** Absolutely. We generally deal with areas of non-compliance directly with the council and we certainly do. We are vigorous in asking councils to apply the law to themselves as they do to us.

**The Hon. JAN BARHAM:** In relation to that, I am aware of some of those showgrounds, but it is not the councils who are actually doing it, those showgrounds are Crown grounds often managed by a Reserve Trust.

**Mr WHITMONT:** Yes.

**The Hon. JAN BARHAM:** And their approval process is that they have a plan of management that says that camping is allowed. So in actual fact they are operating lawfully.

**Mr WHITMONT:** And in that event we have no objection. I think we need to dispel the rumour that we are somehow about protectionism. We hear people say I will not be told where I have to buy. I will not be told I have to go into a protected industry. With respect, we are just regulated.

**The Hon. JAN BARHAM:** I respect your point and it is an important one about making sure that the visitors are safe.

**Mr WHITMONT:** Absolutely.

**The Hon. JAN BARHAM:** That is the only way you can really do it, is with some sort of regulation, but having been from local government, I am protective about the fact that councils get the blame for everything and very often it is not the council who manages those showgrounds.

**Mr WHITMONT:** I accept that criticism. I do not mean to just pile all councils in one bad bucket.

**The Hon. JAN BARHAM:** But the idea of accreditation, if you could explain what you mean about some form of accreditation?

**Mr WHITMONT:** We think accreditation is well intentioned but misguided. We do not believe that confirming the particular construction methods or size of a black water—black water is just human sewerage; that is all it is. So we do not believe that putting a sticker on the side of a van means that somebody will not jump out and have a pee in the bushes. It will not mean that when they are full they are not going to empty their garbage down the back in the gulley. It is human nature.

It is all well and good to say we will send them off and they will have a sticker and suddenly they will become environmental angels.

**The Hon. JAN BARHAM:** This is where you are saying voluntary accreditation does not work; it needs some form of proper regulation?

**Mr WHITMONT:** In fact, the regulation is there in as much as you need to provide certain facilities. We are quite happy for showgrounds to provide it. We are quite happy for Crown reserves to provide it, as long as it is an equal playing field.

Can I just say, we all talk about feral people? The issue here is there is a very large group of consumers who want something for free. That is the end of it. It is in the guise of we want freedom; we want choice. What they are saying is we do not want the laws to apply to us. We want to be able to go anywhere and on the basis that we have got our toilet plugged in differently we are a better person and we are entitled to do something that no other consumer in New South Wales or Australia is entitled to do. It is a farce.

**The Hon. JAN BARHAM:** Sorry, can I just go back to the point about the use of those areas that are non-compliant. Are you able to provide a list of those?

**Mr WHITMONT:** Yes.

**Ms GRAY:** We have a lot of information.

**The Hon. JAN BARHAM:** You say that you support special rate variation; that is obviously as long as it is very clear where that money would go?

**Ms GRAY:** Correct, yes. There are some examples where these sorts of variations have been in place in various places around the State. Shoalhaven there is one for example where it is agreed with the local businesses and the industry. They have got a great resource then to be able to go out and do some great marketing and promotion and infrastructure development is that is needed.

I just think there have been examples of it done well but it all depends on making sure that councils are working very closely with their stakeholders and having an agreed plan and an agreed usage of whatever funding is collected. I think in principle we support it but as mentioned in the Visitor Economy Task Force report, it is about having a plan of management basically for tourism and then funding associated with that.

**The Hon. JAN BARHAM:** You talk about the investment in roads, that there should be more State and Federal Government investment. Do you think it is reasonable that there should be a special opportunity for councils to apply for tourism infrastructure impacts? Is there a special need considering the industry does put additional pressure above and beyond the rates that the council collects for its residents?

**Mr WHITMONT:** I think there is an opportunity to work together. Should they be made available—most certainly.

**The Hon. PAUL GREEN:** The Hon. Jan Barham brought up a good point about the Reserve Trust. Many of those showgrounds are trying to raise funds to look after the management and the maintenance of their own showgrounds for the future of the community, but they are hundreds of years in the making.

**Mr WHITMONT:** Yes.

**The Hon. PAUL GREEN:** There are those cases, and I do take your point, one of the complications of the issues you are expected to be obedient to a certain amount of rules and down the road they do not. That happens with food stores. Some of our colleagues in the food area say they same things. They have got a shop up there where work, health and safety issues are monitored and then down the road you can sell all your fruit off the side of the road with no accountability so to speak. We realise that. But both of those things are very relevant in the tourism market, people like to do both, but it is very hard.

In terms of that, would you welcome a task force into addressing this issue of camping and caravanning? Do you think that would be helpful?

**Mr WHITMONT:** I think the opportunity is there. I think we need to be careful that it is not a task force or how to provide something for free. We have a very carefully balanced market at the moment. Businesses are operating at 54 per cent occupancy, so when people say well I cannot get in; therefore you need to provide overflow for me, well happy to talk about where you cannot get in. You cannot get in at Christmas; I understand that. You cannot get a flight on Christmas Day either.

It is the same issue about managing supply. But when businesses are at 54 per cent occupancy across the State and then we are looking at a task force that potentially is nice words for, let's work out how we can provide this for free, we really are saying let's work out how we can shut this industry down.

For the industry to be viable, we are quite happy for people to stay in compliant campgrounds other than caravan parks as such, as our members are but we have to remember that for them to do that, they also want to pull into parks. If we damage parks, parks withdraw, then those outback trials, that tourism dollar will dry up and we will find ourselves in a situation that parks have withdrawn four and five years ago and it will be impossible to get them to enter back into the market. That means the Government will need to provide that accommodation across the State.

I do not mean to be facetious, but last time I looked the Government was not looking to take in running its own private sector of accommodation for a particular type of consumer just because they are organized and there are a few of them.

**The Hon. PAUL GREEN:** I do not think the task force would be about how to provide something for free; it is about how to get more of the pie from Australian travellers into New South Wales and provide jobs in regional, rural and metro New South Wales. That is what the task force would be tasked with and of course, there would be regulations.

Talking about regulations, you mentioned some hindrances. Are there any major regulation issues that you can see that need to be addressed immediately?

**Mr WHITMONT:** Well, we would be very pleased to participate in the review of the local government regulation and I think that is afoot. We are a nominated stakeholder in that. The issue, in our view, is not particularly that the regulations are too terrible. I would accept that when they were drawn up they did not recognise the recreational vehicle market, which is a different style of market and we would like the opportunity to provide a more simplified product for those people.

For example, the argument around self-contained, if consumers do not want to access toilet blocks; that is well and good. If we go and build new sites we are required to have an extra toilet included. So there may be an opportunity there. But broadly speaking, as the review of the regulations goes ahead, we will participate.

**The Hon. PAUL GREEN:** In terms of manufactured homes, I think you mentioned that was part of your portfolio?

**Mr WHITMONT:** Yes.

**The Hon. PAUL GREEN:** Do you have any comments on how that fits into the picture, because it can be quite controversial out there in local government land?

**Mr WHITMONT:** Yes manufactured home estate is a marketing term. The land use is still a caravan park. Where you have long term sites, they can be used for this purpose and where you have short term sites, those are for more camping. There is a review of the Act at the moment, the Residential Parks Act, which is the Residential Land Leases Communities Act and I think public consultation has closed on that. We like to think we are all over it but we will find out.

**The Hon. NIALL BLAIR:** Your membership, do I take it that it is predominantly from the caravan parks?

**Mr WHITMONT:** Yes.

**Ms GRAY:** About 450 of our 650 members are from the parks.

**The Hon. NIALL BLAIR:** I would have thought that your retailers and manufacturers of the caravans, the motorhomes and the camper trailers would almost be saying, let it go; let's have a free for all?

**Mr WHITMONT:** Well it is very interesting. Some of our manufacturers of motorhomes and recreational vehicles are very frightened of the big stick waved by some of the consumer groups who say well if you do or do not endorse this, look out, we will black ban you. So I understand they have got a market and they have got to make themselves appealing, but when the heat is taken out of the argument, none of them want to see the destruction of the infrastructure. When you do that, they do not have anything to sell.

The sale of recreational vehicles in the Northern Territory, where it really is nowhere to stay, is very different to Queensland, Victoria and New South Wales where there is somewhere to stay. So there needs to be a balance provided where parks can continue.

Again I say, quite happy to compete. We are not interested in locking anybody out. We welcome new entrants to the market as long as they are required to provide the same levels as we are or reduce the levels we are required to provide. We are not looking at protectionism.

I do take issue when someone says that I will not be told that I have to go into a caravan park. With respect, if you are going to go and buy pharmaceuticals or you are going to go and have your toilet fixed, you go to a licensed plumber or you go to a pharmacist. You can choose your pharmacist and choose your local plumber, but you do have to go somewhere for good and proper reason, that provides safety and environmental protection.

To labour the point, you go to some of these unregulated free campgrounds where it is all lovely and you get the misty eyed image of parking by the sea, and you are wading through toilet paper and people with dogs letting them run lose. We are not all angels; we are humans. The whole idea of let's just put dump points out there. I will tell you who is rubbing their hands with glee about dump points, are the people who have to dump chemicals and have to spend hundreds and hundreds of dollars per kilolitre to go down to the council depot and get rid of their formaldehyde or whatever it is, their paint. We are dotting the countryside with dump points, unmonitored dump points. That is a disaster waiting to happen.

Everybody loves the idea of freedom of choice. I love the idea of freedom of choice too, but I am not interested in seeing the wetlands wiped out because somebody went at two o'clock in the morning and dumped a couple of thousand litres of formaldehyde that they could not get rid of.

If you think I am waving scare tactics, I am not happy to sit back and wait and see who is right but I think the reality is we already have anecdotal evidence of those public dump points being abused, which is a tragedy for the environment.

I think we have only touched lightly on the issue of pets. But saying to people you just go over there and see how you go with your dogs. Dogs are an issue. They run around and they poop and people do not clean up unless there is someone there to watch them.

We talk about accreditation and we talk about letting these guys go where they want to go. You are going to have to follow them with a bunch of rangers of police and there is a significant cost to that and we are also damaging the infrastructure at the same time. That was a long answer, was it not?

**The Hon. NIALL BLAIR:** I am happy to let you go, because get it off your chest. There is no point boiling up inside.

**Mr WHITMONT:** This is a nightly occurrence at my house.

**The Hon. NIALL BLAIR:** But again, that answer is definitely the answer on behalf of the caravan parks. It is not really the answer on behalf of the manufacturers or the retailers of the

motorhomes?

**Mr WHITMONT:** No, no, with respect, I disagree entirely.

**The Hon. NIALL BLAIR:** So they do not have a view over-regulation of the motorhome market will drive people away from those self-contained vehicles to pull up anywhere they want?

**Mr WHITMONT:** I do not think anybody is arguing for further regulation, I think the consumer groups are saying if the parks think they are so heavily regulated, let us lower the bar. We are happy to lower the bar. I think the manufacturers are very clear in saying for the long term viability of the industry we need to make sure that there is somewhere for these people to go other than just beachside camp areas.

**The Hon. NIALL BLAIR:** I look at the park in which my family has a long term van, it basically caters for cabins, long term vans, fixed vans and camping. The local showground, particularly around Christmas, there tends to be a lot of extra camping and some of the motorhomes, which I do not know if it is or it is not regulated by the council. Is it more of the case the business models for most of your parks and the Government council regulations really only cater for those other options, and this new entrant to the market, the self-contained or the Kombi vans are now out there looking for somewhere to go? As you have said, you have been told every time you build a new area you have to put extra toilets, et cetera in. Is that the issue here, that you are being disadvantaged by the rules that are put on those vans to take advantage of what is relatively a new market in this country?

**Mr WHITMONT:** Well from our view point I think the rules are the rules and I do not think they are misguided. I think what we have got is, is a consumer group who says because my toilet is plumbed differently I should be able to go anywhere I like. I think there is an absolute fallacy of logic.

**The Hon. NIALL BLAIR:** Not that, I am talking about the fact that let us say you go to your local council and say we want to open up another area in our caravan park and the local council comes back to you and says, yes, but you must put another toilet block in. Surely that is then putting you out of that market for the self-contained travellers?

**Mr WHITMONT:** Yes, absolutely.

**The Hon. NIALL BLAIR:** I am not talking about the other one where they pull up wherever they want, I am talking about there seems to be a regulation against your operators that potentially is competing you out of the market. At the end of the day, it is location that is going to be the one that wins anyway. When your caravan park is on the beach, that is where people want to go, but that then becomes less attractive when the caravan park has to charge extra because the council have said they have to build another shower and toilet block, which will not be utilised by these self-contained vehicles.

**Ms GRAY:** But it is not to say that the current park infrastructure does not have the facility to accommodate the big rigs; we do. A number of our parks have it. So there are sites at the moment that can accommodate these self-contained or whatever type vehicles. I think the issue is the fact of the cost that is associated with staying in the park as opposed to paying nothing. That is really the issue.

**The Hon. NIALL BLAIR:** As a Committee we are trying to come up with recommendations in which we can try and lift overnight stays throughout New South Wales.

**Mr WHITMONT:** Yes, which we support. Can I just draw the Committee's attention to the fact that park operators are running at 54 per cent occupancy.

**The Hon. NIALL BLAIR:** Yes, you said that.

**Mr WHITMONT:** So right now I do not think there are too many park operators looking to build new parks, but the provision of the existing facilities has a commercial cost. They are looking to

recover those costs and make a dollar. We are talking about site fees of \$25 a night. That is where the mark is. Certainly there are some that are more expensive and some that are less but at \$25 a night with 54 per cent occupancy, with respect, I do not believe there is a great need to provide new campgrounds at a lower level. You can go into an existing park. The argument is simply a consumer desire to be able to go anywhere.

They are couching it and saying we are fully self-contained but with respect, that does not answer the problems that the regulations were originally set up to answer.

**CHAIR:** You said there were a number of parks that already accommodate recreational vehicles. I would like to get a break down across New South Wales of the percentage of those sites and where they are located. I am happy for you to take it on notice.

Also you talked about the simplified site option. If you could outline that in more detail and also the cost; what is the charge out rate compared to some of these other sites?

**Mr WHITMONT:** Yes, we will take that on notice if we may?

**CHAIR:** Yes, that is fine. Also, if you could provide a break down by region of the compliant and non-compliant sites; so, where those non-compliant sites actually are across New South Wales?

**Mr WHITMONT:** With pleasure.

**CHAIR:** Unfortunately we have run out of time but thank you very much again for appearing.

**Mr WHITMONT:** We do have some documents we would like to table.

**CHAIR:** If there are any questions on notice that you have taken, you have got 21 days for those to be responded to.

**(The witnesses withdrew)**

**MR PAUL NICOLAOU**, Chief Executive Officer, Australian Hotels Association,

**MR RICHARD MUNRO**, Chief Executive Officer Accommodation Association of Australia, and

**MS CAROL GIUSEPPI**, Director, Tourism Accommodation Australia, sworn and examined:

**CHAIR:** Would you like to make an opening statement before we commence with questions?

**Mr NICOLAOU :** Yes. The Australian Hotels Association NSW welcomes the initiative of this Inquiry as it demonstrates the importance of Government and the Parliament places on local tourism. The 1,700 pubs and the 150 accommodation hotels in New South Wales, and particularly those in regional areas, have a vital role in promoting and sustaining tourism. We, and our members have been buoyed by the increased focus by the current Government on co-ordinating the promotion of tourism through Destination NSW.

Further to that, we said in our submission about the effort The Australian Hotels Association has made to draw more people to local areas and I am pleased to say that we are now well on the way to producing the fourth edition of the *Good Pub Food Guide 2014*.

As an integral player in tourism we like the opportunity to comment on any other evidence which is elicited during this Inquiry so that we can further contribute to the practical and worthwhile further development of tourism in New South Wales. I welcome your questions. Thank you.

**CHAIR:** Thank you very much. We will commence with questions from the Hon. Steve Whan.

**Mr WHAN:** Thanks for your submissions. The Tourism Accommodation Australia submission has a lot of interesting facts and some quite good information in it.

I guess though, reading through it, there is not one thing that I would draw out of it to say that that is what you would really like this Committee to recommend. What is it that you would actually like us to be focusing on in this process?

**Ms GIUSEPPI:** I did not actually put in a submission but I am supporting that submission. From a Tourism Accommodation Australia point of view, we think the Visitor Economy Task Force report last year started a great process in terms of looking at regional economies and Destination NSW is now in the process of working with regional economies to develop destination management plans.

There are a lot of issues in terms of destination management plans and we want this Committee to look at working within those destination management plans, within the structure that is currently being set up, to look at how we can further focus on developing those structures, providing the funds for those structures, ensuring those structures are separated from councils in many areas, so that there is a proper focus on the visitor economy but works closely with councils. That is what we are looking for.

**Mr WHAN:** What is it that regional New South Wales needs to see a bit of a renewal in accommodation and upgrading standards of accommodation around country areas?

**Ms GIUSEPPI:** I am currently working quite closely with Newcastle for example and the Hunter Valley. As you well know, the Hunter Valley is suffering quite significantly and we are starting to see some sort of downturn in Newcastle; a softness in Newcastle.

What drives in those areas is you need sustainable business. This concept of tourism is always about leisure tourism, it cannot just be leisure tourism. It needs to be a broader concept that also encompasses business tourism. So at the moment, for example, I am working with the New South Wales Government with a regional business events strategy, Destination NSW has carriage of that strategy, but we are looking for matching funds; the businesses within those regions matching the funds from Government to actually drive regional business events in a structured form, so it sits within business events Sydney. There is industry involved in the panel. It is in a structured form.

I think what is missing a lot in some of these regional destinations is structure and it is incentives for businesses to actually get involved. There are so many failures in terms of past regional tourism organisations and what they have delivered to these regions that it has got to be beyond marketing and looking at the actual infrastructure within those areas. It has got to be a broader visitor economy focus.

For example, if we look at Newcastle, cruises. What is being done to attract cruises? The whole issue of when the cruise arrives are the retailers open? Are the restaurants open? What is there to service those cruise ships so they are interested in actually coming to those destinations? What is happening with the airport? How can the whole city improve? Hunter Street is dead.

Jerry Schwartz is now about to invest in a convention centre in that area, which is fantastic, because that will start to drive business into both the Hunter Valley and into Newcastle. Then you need other resources around that to ensure that it is successful at driving the visitation in.

So the infrastructure and the visitation need to work together to actually produce an outcome. It just cannot be superficial marketing, and also there needs to be a focus on who the segments are you are trying to attract; what are the segments. It is not all the international market. In fact, in regional New South Wales the international market is harder to attract. It is more about interstate and intrastate.

**Mr NICOLAOU:** The pubs out in the country areas of New South Wales are probably the main stayers of providing food and beverages and accommodation. Currently with the economic climate the way it is, they are suffering and we believe the Inquiry should look at the whole aspect of the whole of government approach in trying to look at tourism and hospitality in a broader sense.

Any assistance we can give then whether it is through councils or local tourism bodies in the country areas would be great to encourage more and more people to come and visit areas outside of Sydney, Newcastle and Wollongong. A lot of the pubs are doing their own thing as much as possible to provide accommodation, food and beverages by providing unique experiences, but again, if we can have more of a co-ordinated approach that looks at the whole aspect of whole of government in relation to Australian tourism, that would be something that we would be very keen for as an outcome of this Inquiry.

**Ms VOLTZ:** The current downturn in the Hunter and across the regions, obviously New South Wales is an economy that has a lot of reliance on service industries. There is a global downturn of course in services, while resources have been the mainstay of the economy. Also the high Australian dollar has promoted international travel against domestic travel.

There are all these factors playing in. How much of the current downturn is a reflection of the economy and what is happening in the retail sector across the State and how much do you think is driven by a need to restructure the tourism market?

**Ms GIUSEPPI:** Very good question. I think we have to live with the dollar, so we cannot look at excuses for why it is not performing. I think definitely though there is an opportunity here to restructure the actual marketing, the whole visitor economy focus in regional areas and get a better return.

If you look at what inland tourism is doing and you look at the statistics coming out of inland tourism and the visitation to that area; that demonstrates they have actually got their act together. They have actually got a structure working with Destination NSW, working with Government to actually drive visitation. They have got the businesses within that region working with them and contributing because they see the results.

If I had known I would have brought a graph. If you look at the growth in inland tourism, and in fact I will send the graph, versus some of the other regions, it is significantly higher than some of the other regions.

It demonstrates that if you have got a structure that invites industry in, gets industry contributing to that structure, not through a levy or anything, but gets industry contributing because

there is a return to industry and it looks at not just marketing but at what is required in terms of the infrastructure, what is required in terms of attracting visitation, what is required in terms of attractions, retail, restaurants, et cetera.

Then I think you get a better return, irrespective of what is happening in the external environment. There are still issues obviously in regional areas and everywhere in terms of labour and that is around the productivity issue and penalty rates and those types of things. That is part of a separate inquiry that I made a submission to.

Essentially the region still needs to work within all those aspects. The other part of the pie I suppose is supply and ensuring that the demand is there to generate the supply. In the Hunter Valley at the moment you could say it is an over-supply situation because the demand is not there. But there is not enough co-ordinated effort in the Hunter Valley. There have been too many tourism associations in that area not working together, working fragmented with bits of marketing dollars from Government, et cetera.

The whole thing is about cohesion, working together and looking at an outcome that is beyond just marketing leisure tourism, which is traditionally how all regional tourism organisations have worked. They default to that leisure tourism marketing.

**Ms VOLTZ:** I just want to pick up on one point there because I have heard the arguments about penalty rates before in the industry. I am sure this may be the case in the Hunter Valley but certainly in places like Cobar I have been in hotels there where they have complained about their inability to get hospitality staff based on what salaries are in towns, particularly those that have mining industries in them or booming industries. Their argument is not that rates need to be dropped; it is how do you maintain the staff level when other wages are so high?

**Mr MUNRO:** My view on that and our industry's view is that there are areas doing very well as a result of the resources boom but that is now waning somewhat as well. In terms of penalty rates, we have got a situation where we had at Easter this year, New South Wales gazetted four public holidays so it meant that operators were basically paying 11 days wages for four days work, which is pretty well out of step with our industry.

Attracting labour to those areas has been very competitive. We believe and the feedback is that it is not as competitive as it was; which would be around culinary positions and management, cleaners, et cetera. The mines were paying more but now that the resources boom is in decline, we are seeing a lot of people coming back to the industry, whereas it was tough before, it was a very competitive situation for labour. Labour is still an issue.

Our association is a national organisation but we represent about 450, so that is about 45 per cent or thereabouts of New South Wales. Most of our members are in regional New South Wales. It is probably about an 80/20 rule, 80 per cent of them out in the regions, 20 per cent of them in the city, so it is quite easy to carve up.

This is a bit of an overview, because I did not get to do an opening but from our perspective we see that marketing has a very big part to play here. \$130 million into Destination NSW we think is quite small considering the \$21 billion return that the Government is getting on that. It is well less than one per cent.

We have got fantastic product in New South Wales. We have got up and down the coast, Dubbo Zoo, et cetera. We have got infrastructure issues around getting people to and from and one of the key drivers is airlines and airports. If we want to look at this issue of tourism in New South Wales, and I think it has been well handled through as has been said before, the Visitor Economy Task Force has spent a lot of time on structuring a program to look at all facets of tourism.

We need to really look at the triggers for tourism, as in airline capacity is the number one issue here. We cannot get enough people through our gates at Sydney airport. We have got slots that are only used 80 per cent, so there is 20 per cent sitting there that if another five planes per hour were allowed in those peak times, we would see an increase of something like 10 per cent of visitor numbers coming through.

When you have got visitors coming through like that, an increase, it solves all of our woes. If you have got strong demand, penalty rates are not as big an issue, but at the moment, in the regions, they are not doing as well as the capital. Sydney is firing quite well at 83-odd per cent occupancy rate. We have got the regions though doing more like 50 per cent occupancy as Carol was saying before, they are hurting and I think the focus should be on how do we get more heads in beds, to be frank, in these regional areas.

With penalty rates, it is a hard pill to swallow at the moment when you do not have the profitability as a lot of them are mum and dad operators, the majority of them, 50 or rooms or less, 80 per cent of the industry. They are struggling with costs. They would like to employ more people.

We have got 15 members just in Dubbo who have spoken to us and have said if we had some relaxation on penalty rates we would have a maintenance man in on a Sunday doing work. They would employ more people.

Our industry is an employment solution for governments. We have got so much opportunity. If we can get the drivers right, we can employ more people. Penalty rates are hurting us at the moment. The result of penalty rates that I talked about at Easter, what happens is everyone shuts their restaurants. Everyone scales down their services. I can tell any of you, if you want to ever meet an owner of a business, go there on a public holiday because they are paying 275 per cent of the wage on a public holiday. That is extraordinary.

I guess the action that our industry takes is we just cut back. It is tough when you have to face that sort of loading. Our industry says maybe 150 per cent, 175 per cent is fairer. We are doing a lot of work through the Fair Work Commission. It is a Federal issue, we know, but States do have a big stake in this and we would like to see some movement on that front because we would actually employ more people. I will ask my colleagues if they actually agree with that.

**Ms GIUSEPPE:** I just think one of the issues in terms of this and having recently come back from Newcastle—forgive me if I keep referring to this because they are struggling with it at the moment, this while issue. They are trying to work on a visitor economy model that is more than just tourism focused. As such, they are involving the restaurants, the retailers, et cetera. The interesting thing is, when you talk about cruises and I talk to Carnival Cruises about why aren't you getting more cruise ships up there? They go, the actual customers do not want to stop at Newcastle because they think it is boring and nothing is open. Then you go back to Newcastle and say, why aren't you keeping things open and making things happen? They say, look we try and get everyone around the table talking about this, but the restaurants and retailers go if there are not enough customers we cannot open because penalty rates are too high and we just do not want to open. We would prefer to lose those few customers.

**Mr WHAN:** Your country areas, particularly across the divide, not Newcastle and those sorts of areas. One of the main things that seems to sustain accommodation in country areas is business travellers, your sales people or whoever. Has there been a downturn in that as a result of people closing regional offices and going online with their business?

**Mr NICOLAOU:** Yes, that is the case. Also you are finding that a lot of these small businesses are suffering not only because of the penalty rates but also energy costs have gone through the roof. A lot of these pubs and hotels have cool rooms, they have got refrigeration, they have got heating, so all those costs have gone up as a result of external factors.

At the same time, council rates, land tax are also major issues. With these major companies closing down operations, going online or doing things in other ways, it has had an impact on our members right across the board.

**Mr WHAN:** Have you got any analysis of that anywhere that we would be able to look at?

**Mr MUNRO:** That corporate travel downturn do you mean?

**Mr WHAN:** Yes. What is happening with corporate travel? I am sure Niall knows, whenever

you go to a country motel on a weeknight it is basically a whole lot of reps in company cars.

**The Hon. NIALL BLAIR:** And the restaurants all single tables.

**Mr MUNRO:** Yes.

**Mr WHAN:** Is there any sort of analysis that the industry has done of where that is going?

**Ms GIUSEPPE:** No analysis that I can think of. There is certainly a lot of anecdotal stuff out there, but no specific analysis. That corporate business, the conference business, a lot of it is focused around those city centres.

**Mr WHAN:** I am not really talking about the conference business at all.

**Ms GIUSEPPE:** Just corporate generally?

**Ms VOLTZ:** Your travelling sales people.

**Mr MUNRO:** You would be talking about intrastate visitation, is that what you are saying, or interstate?

**Mr WHAN:** Yes, your people who travel for busy.

**Ms VOLTZ:** Pharmacy representatives.

**Mr MUNRO:** Intrastate is not as keenly measured as people coming from out of the State for the purpose of a visit. Intrastate it is not measured that I know of, except anecdotally.

**The Hon. PAUL GREEN:** We were just talking about the airport, because it is a gateway really for New South Wales, even Australia for tourism. Would you agree with the need for a second airport and what is the industry's view on that?

**Mr MUNRO:** From our industry's perspective, we would welcome any increase in capacity and whatever that form takes, we would welcome it. If the current airport could increase its slots, if the Federal Government was able to do that, we would welcome that. If there was considered a second airport, we would also welcome that and we do not mind where it is, as long as it is able to disperse easier than the current airport is able to. The current airport obviously has infrastructure issues and there is a new master plan out to address those issues I understand because it is difficult to get in and out, particularly from the international side of the airport, but we believe there is great opportunities with the current infrastructure and if there is a second airport we also welcome that, because as I said, it is the key driver of bed stays in New South Wales and Australia.

**The Hon. JAN BARHAM:** Can I pull up on that then. Do you have the breakdown in relation to visitation, what proportion is by air or what proportion by road?

**Ms GIUSEPPE:** Certainly we have visitors into Sydney airport obviously. Are you talking then from visitors into Sydney airport into hotels in regional or hotels in Sydney?

**The Hon. JAN BARHAM:** In general. We are looking at the whole of New South Wales in terms of whether you are referring to domestic or international market in terms of your clients?

**Mr MUNRO:** For New South Wales, and I quote off the Destination NSW statistics, visitors for domestic day trips at 65.8 per cent, 30.6 per cent for domestic overnights and 3.6 per cent for visitors internationally.

**The Hon. JAN BARHAM:** So your major visitors are really those domestic road travellers?

**Mr MUNRO:** Yes.

**Ms GIUSEPPE:** And it is domestic that has declined.

**Mr MUNRO:** That is pretty well the case across Australia I might add from my perspective, but the expenditure on international visitations, because of the length of stay, is much higher. They tend to stay, eat, drink et cetera, et cetera. That is a high yield market versus the domestic, but the domestic is the bread and butter for our industry.

**The Hon. JAN BARHAM:** Can you just clarify with your industry, do you represent holiday letting or only approved?

**Mr MUNRO:** Approved legal holiday letting. We have hotels, serviced apartments, motels.

**The Hon. JAN BARHAM:** Holiday letting I mean.

**Mr MUNRO:** That is an issue and we would be happy to discuss that I am sure if you have time.

**The Hon. JAN BARHAM:** Go ahead; I am happy to hear your point of view on it. Previous I know there has been a point of view of opposition for the competitive issue.

**Mr MUNRO:** First and foremost our statement would be that we support only legal properties that have gone through the same amount of rigorous and occupational health and safety, et cetera training and measures that we have to undertake through the Australian Building Code Board. Most of our operations are class 3 buildings, motels, hotels and they are approved with higher standards with smoke detectors, pressurised stairs, et cetera. We also have the issue of accessibility to rooms and we have to comply with all that.

There is a lot of non-compliance unfortunately in Australia. It is becoming a very unregulated environment. You heard the caravan and camping guys before me. We unfortunately face the same issue where there are now companies such as Air B&B. I am not sure if the panel is aware of that but basically if you have got a bedroom in your house, you can put it on the market and people can stay there.

**The Hon. JAN BARHAM:** What is it called?

**Mr MUNRO:** Air B&B. It is popular in places like New York but there are a lot of jurisdictions now that are legislating that, because it just represents a very bad form of accommodation. It is unsafe. You do not know who you are going to get.

I have personally dealt with experiences of international customers through my industry years where they have been very disappointed, disheartened. They have come to Australia with the expectations of a five star sort of experience and ended up in low class accommodation.

This English family I will very quickly talk about, spent \$20,000 on a family trip, arrived in Sydney, went to go to their accommodation, of course arrived at eight o'clock in the morning because that is the nature of international flights. Got there, no one there; had to get a taxi up to the real estate agent to find a key. The kids and wife were all waiting there with the baggage. About an hour and a half transpired, got back to the family, went up to their room no assistance, no reception, there was someone else in the room.

Consequently they had to go back to the real estate agent and by the time they got to me at my hotel that I was operating, they were in tears and felt that Australia is just totally unregulated and cowboy country.

**The Hon. JAN BARHAM:** I have got worse stories than that.

**Mr MUNRO:** I ended up putting them up for the night just from a goodwill perspective, for gratis.

**The Hon. JAN BARHAM:** I just have to move on because we have only got limited time.

**Mr MUNRO:** This is the issue for the industry. It is unregulated, unsafe accommodation.

**The Hon. JAN BARHAM:** And the commercial factor that your sector is struggling while these other people are prospering.

**Ms GIUSEPPE:** And also the fact that the class 3 buildings are regulated for that market, whereas class 2 building are built for residential, and so not regulated.

**The Hon. JAN BARHAM:** If I can ask from the Australian Hotels Association, an interesting article recently from former managing director of Tourism and Transport Forum, Chris Brown talking about the impact of alcohol and the negative impacts the industry has in terms of the push for longer opening hours, more issues around venues staying open and the type of behaviour and alcohol fuelled violence. Have you got any comment to make on that?

**Mr NICOLAOU:** The only comment I would like to make is all our members are working with liquor stores, with councils, working with police to ensure that we stamp out anti-social behaviour. A lot of this is stemming from people either drinking excessively because they have purchased their product from liquor stores in bulk quantities. We have also got a lot of tourists, especially backpackers who come into particular places, like Byron Bay we have seen a massive increase in the number of people coming in and they are purchasing their alcohol and drinking alcohol in parks and beaches.

We are encouraging as many people to go into licensed venues, because they are safer and secure. In addition to that, we have got responsible serving of alcohol. We are training our staff. We have got security. We have got CCTV and so therefore we are doing everything as an industry to try and protect the industry and also protect tourism and hospitality right across the board.

**The Hon. JAN BARHAM:** What about the Newcastle experience and last drinks, and that sort of campaigning? Do you support those types of initiatives?

**Mr NICOLAOU:** We support local solutions for local problems and therefore each area needs to work out with their police, with their licensed venues, with their councils, what is the best way of managing social issues that are occurring in their particular area.

One blanket does not suit the whole aspect of controlling anti-social behaviour. We have seen in a variety of areas, we have seen a massive decrease in the amount of anti-social behaviour occurring right across the board because we have seen an increase in security, we have seen an increased use of CCTV, we have seen an increase in the training of responsible serving of alcohol and an education that there has to be a high level of personal responsibility when it comes to consuming alcohol or for that matter, drugs as well.

We commend the Government for taking its strong stance in relation to synthetic drugs, which is very important because it has had a massive impact on the community, and mixing alcohol with drugs has caused lots of problems, and we have seen that happen right across the board.

**The Hon. JAN BARHAM:** Your comments about the marketing and broadening the scope of regional tourism offices and organisations, I have been at a regional tourism organisation and it was interesting to me that it was the industry operators were working in isolation, not willing to come together. Is that what you are saying that Government needs to drive this over-arching approach to a broader view from the industry as a whole? Are they that unable to get the big picture?

**Ms GIUSEPPE:** No, but I think regional tourism organisations, as I said previously, were always this standalone tourism and so tourism was defined in the smallest type of way, accommodation and—

**The Hon. JAN BARHAM:** That is not my experience, not my experience at all with regional tourism organisations. Always the broad outlook about what tourism is in terms of its market sectors.

**Ms GIUSEPPE:** And more leisure focus. That is my experience and I have quite a bit of experience with them. What we are talking about in terms of the destination management plans is that

the fiscal economy becomes much broader. It works with councils. Even where you have regional tourism organisations, you always had a council body as well working with the regional tourism organisation and all the rest of it. That working together was not always that strong.

**The Hon. JAN BARHAM:** I get what you are saying. Who do you think is going to drive this then? How are these elements going to be drawn together to have this over-arching destination?

**Ms GIUSEPPE:** As part of the destination management plan I think it needs senior leaders within the community to drive that interaction with council, operators—operators are quite keen to be involved but all of them looking at a whole destination plan, not just as a tourism marketing plan.

I think that is a big distinction and that is where we would like it to go. A destination management plan, not a tourism marketing plan.

**Mr NICOLAOU:** The other thing too is we are all involved in the process as part of the group assessing, processing and implementing; it would have a bigger impact than if we are always left as a second resort to go and talk to.

**The Hon. JAN BARHAM:** My understanding is that there has always been that open involvement, that the surprise has always been that people do not come and get involved. I am just intrigued at your issues, having had a long involvement in this.

**Mr WHAN:** There is a lot of variation between regional tourism organisations.

**Ms GIUSEPPE:** And it depends whether it is a tourism destination or not. Not all of them are tourism destinations and yet they have had regional tourism organisations looking after them. It depends whether they logically look at is tourism going to drive our economy? Is it going to be worthwhile for us? Then you get everyone on board because they can see a return on investment. It is where tourism is this other thing and it is just another association they have to join, as opposed to seeing some real return and embedding in the community that I think you will find the difference, and it has to be a genuine visitor economy community.

**The Hon. JAN BARHAM:** You have made a clear point about council rates should be used for the marketing and no more gouging of businesses for marketing or any other tourism related expense. Do you want to elaborate on that point?

**Mr MUNRO:** I guess the sentiment from industry would be that paying a very high level of costs and included in that is rates already. Effectively our purview would be use the money we are giving you wisely rather than coming and asking for more.

**The Hon. JAN BARHAM:** Do you think any other industry gets that advantage that out of the rates they pay marketing happens? Can you think of a comparable industry that might get their rates to council spent on promotion of their industry?

**Mr MUNRO:** I do not give a lot of time thinking about other industries.

**The Hon. JAN BARHAM:** It is just an interesting issue.

**Mr MUNRO:** What I do think is our industry is providing these jobs. It is providing the knock on spend to the butcher, baker, the candlestick maker. What we have got here, particularly accommodation, is a prime product. It is what people travel to a destination to experience and then the spending off that, whether it be in conferencing, whether it be in restaurants, whether it be in pubs, it is the cornerstone of the industry.

It should be held in high regard because it is bringing in visitors who are spending \$20 billion-odd in the State of New South Wales.

**The Hon. JAN BARHAM:** This is one of my issues with some of the regional tourism organisations, the experience state-wide; that a lot of businesses were not joining if it meant that there was a fee to join.

**Mr MUNRO:** Right. I think Minister Whan's point is a good one that there are regional tourism organisations out there that—

**Mr WHAN:** Steve is fine.

**Mr MUNRO:** Basically as the Hon. Steve Whan said before, that there are different levels of commitment. You see up on the north coast and in Queensland, again I have the purview of the national agenda and I see somewhere like the Gold Coast there is voluntary contributions to the local council for marketing. As Paul said before, that is the way to go, because when people feel like they are getting something back, a return on investment, they do not mind committing the funds. But where they do not see the returns or maybe it is a dysfunctional regional tourism organisation, there is probably not that level of commitment.

The last thing we want to see is local councils or State Governments putting in taxes or levies to pay for further marketing which should be very much done at a State level and a voluntary basis on a local level. But it all needs to be co-ordinated, we believe, by Destination NSW. That is a big body and we believe that is their role to play, to herd the cats so to speak.

**The Hon. JAN BARHAM:** When you refer to the red tape imposed by local council, what specific things are you referring to?

**Mr MUNRO:** Primarily development applications. When I sit around our board room with our members, they talk about five to six years for a development application from concept to completion; all the environmental hurdles. It is a very costly exercise to develop a building such as ours. You have got a class 3 building. The holding costs are massive, just to hold the development and then you have to spend on architects, consultants, experts. There are actually requirements that are specified. The development applications are probably the toughest ones. It does boil down to we would like to see some escalation of the development applications up to State Government, maybe where there is some higher value.

I do remember, we did a part 3A in New South Wales, which was under the previous Labor Government which I thought was actually a good policy, \$50 million and it escalated straight to State Government.

**Mr WHAN:** It is just call part 4 now.

**Mr MUNRO:** That is right, and it is changed to part 4.

**The Hon. JAN BARHAM:** You refer to six years; that is pretty extraordinary.

**Mr MUNRO:** My chairman has got four developments in New South Wales; he says it is eight years for him.

**The Hon. JAN BARHAM:** That would be from go to whoa for a huge concept plan development?

**Mr MUNRO:** No not necessarily, he has got a 30 room property in the Blue Mountains. I have been personally involved in developments that have taken up to eight years to get from concept to completion. It is a hard road to toil and most of the opposition comes from local councils unfortunately.

**The Hon. JAN BARHAM:** Sometimes the opposition comes from the fact that some people are trying not to follow the rules that pre-exist.

**Mr MUNRO:** Well—

**The Hon. JAN BARHAM:** If you buy into somewhere because you think it is a desirable location—and I know this from experience, then people come and go we want to have a business there, but we do not want to follow the rules that you have that apply to everyone else.

**Mr MUNRO:** I take your point on that. I think what the main driver of anyone investing that sort of money is to get a commercial return. If you cannot get a commercial return on it they probably will push the boundaries because when you start saddling them with all the regulation and pushing the development down, it makes it very hard to make money. But generally speaking, people go in with their eyes wide open because their consultants are saying here is all the framework, they have to go and get finance on it, so they completely understand the framework.

Some people do push the boundary, but that is only because they are trying to get a commercial return out of their heavy investment.

**The Hon. PAUL GREEN:** I just want to make a comment on the special rate variation. You mentioned that penalty rates are a challenge, energy costs, council rates, and it goes on. Special rate variation you do not agree with?

**Mr MUNRO:** That is correct, we do not agree with it.

**The Hon. PAUL GREEN:** Of course, there is a hole in that, that there are those people that do not legally register their accommodation and they ride off the back of those who have paid the special rate variation?

**Mr MUNRO:** That is exactly right.

**The Hon. PAUL GREEN:** You think they really should use their money wisely to invest in marketing and tourism rather than take a special rate variation?

**Mr MUNRO:** Yes, that is well said.

**Ms GIUSEPPE:** Can I just add one thing to that? Then industry, dependent on the proposals in front of it and what the sorts of return on investment are, will contribute to various marketing proposals like the regional events proposal that we have got, industry were quite happy to contribute to that if it was matched by Government and if it was specific to driving regional business events.

**Mr MUNRO:** I have one more point if I may, there is a lot of investment that is not recognised by the State Government, so you have got a lot of international chains, the Accors, the Hiltons, et cetera who are out there internationally promoting the destination without any Government subsidies, so industry is doing a lot of heavy lifting already. Any given day of the week there is someone from New South Wales internationally promoting this great State without subsidy. Going back and asking us for more from those special levies I think is beyond the pale.

**Mr NICOLAOU:** A lot of the providers out there are mums and dads; they are literally small business people who already have a lot of impost on their establishments and on their books. They cannot afford to do more, but as Carol and Richard said, a lot of them are doing their stuff locally and trying to do a lot more but because they are small operators they are in no position to be paying out anymore fees, charges or taxes.

**The Hon. PAUL GREEN:** Ms Giuseppe, you did mention about cruises. I note that probably one of the holes in the system is there are cruises going up and out of Sydney, certainly the Hunter and the south coast could take advantage of, but you also mentioned those cruises get to those places and the places are shut. That is a frustration because there are mums and dads out there; they do not want to work that extra hour because they cannot make a commercial return.

**Ms GIUSEPPE:** That is right and the times they come into those communities are often early in the morning when they want to go out, go shopping, experience the destination, go on tours, et cetera. I have to say, regional are not good at it, but neither was Sydney good at it either. We have only just got Destination NSW and City of Sydney now greeting and meeting because they had exactly the same problem with restaurants not opening, retailers not opening, et cetera. It is a problem.

**The Hon. PAUL GREEN:** I guess we could learn from the Islanders, when the ship is coming in, everyone work together to put on a show and give an experience.

**Ms GIUSEPPE:** Yes.

**Mr WHAN:** I will see you out there in a grass skirt.

**Ms VOLTZ:** You would not even come to the soccer when it was too hot, how are you going to do that?

**The Hon. PAUL GREEN:** I will do my bit for New South Wales.

**Mr NICOLAOU:** With Sandra Chipchase at the helm, she has done a great job with her team, with all these major events, whether it is Manchester United or the Lions tour or whether it is Vivid, all of our members have benefited as a result of that activity and that pro-activeness is fantastic. We just needed more of a co-ordinated approach at the grass root level or the coalface and I think this Inquiry, if it was to have as one of its recommendations, a better engagement at the grass roots and coalface, that would be fantastic.

**CHAIR:** I just wanted to get back to holiday letting. A couple of the submissions have indicated that houses offer affordable accommodation for the family with pets, but also because there is not the number of hotels and motels in those areas to accommodate the need. Do you have an idea of how to find a balance in having obviously the hotels and motels operating but also allowing that affordable non-caravan park style accommodation?

**Mr MUNRO:** First and foremost it has to be legal. It has to be within the framework of legislation. If you are a commercial operator benefiting from a residentially approved property, you are probably breaching the regulation that that was approved for. If they were approved and it was legal, it would have to be looked at in the framework of sustained accommodation. A bit like what City of Sydney is doing at the moment, looking at its available beds, the number of beds and doing the equation that way.

I guess our perspective would be—going back to my earlier point—we cannot condone illegal letting. It is hurting our industry but there is also the potential for bad press and bad branding for the State because if things go wrong and they do not have the same measure of occupational health and safety. I understand the industry is looking at its own code of conduct to try and regulate itself but our industry is already operating under heavy regulation. If it was made legal we would have to look at the numbers and do the equation.

**CHAIR:** You are saying—and I am not across the detail—but sites like stayz.com and others are not operating legally?

**Mr MUNRO:** Are they operating legally? Well, the people who are providing the product are not operating legally.

**CHAIR:** Moving onto training, particularly in regional areas. Do you have any examples of industries or businesses that are operating a very good training program to encourage people into regional communities to uptake, whether it is through the school or on site, something that the Committee could look at, that encourage people into those areas but also retaining the staff in hospitality?

**Ms GIUSEPPE:** Training about marketing so that people can be attracted to regional areas?

**CHAIR:** Marketing and also hospitality.

**Mr NICOLAOU:** I think we should take that on notice because I think there probably is and we do not want to give you the wrong information.

**CHAIR:** I am happy with that.

**Mr MUNRO:** I would say that a really great initiative just in the last few months and it has been coming, which this Government has just announced through the Minister for Indigenous Affairs;

industry agreements for indigenous employment. I think that is a very good initiative. That is happening somewhat in the Federal arena with the Federal Government and the Minerals Council of Australia. It is something that we are taking up as well.

There is a large indigenous population in New South Wales. In fact we have the greatest proportion of indigenous people, 40-odd per cent. We are looking at that opportunity. We have already got members such as the Australian Community Workers Association having an indigenous program in Uluru and taking people from New South Wales and other States out there to train them. They have returned them back to their respective States once they have been trained in that environment.

It is a cross border solution as well as a State solution. Our industry association in particular is really taking this with both hands and wants to seize the opportunity. I think Victor Dominello is the Minister in charge of indigenous affairs New South Wales and I think New South Wales is the fastest moving in this regard from our purview. We are going to grab that opportunity and look at how to mentor and work with the communities, work with the indigenous population because it is not just about finding a job, it is a whole lot more. That is one program that I would say is working, as I say the Australian Community Workers Association program and I know Hilton have a program that is similar. We are, as an industry, looking at the reconciliation action plan so that we can all get behind the indigenous employment.

I think that is where we should start first. It is also really good commercially for our brand, just by the way, having indigenous folk at the front of our businesses. We need everyone at the moment with visas, just because there is a labour shortage but we do need, I think, more frontline indigenous people representing our industry. That is a program that I would like to see get some more momentum.

**Mr NICOLAOU:** We will provide more information but the other thing is too, the Federal Government has got what they refer to as the Skill Advisory Scheme where we have got people going out there and assessing the skills that each of the hotels and accommodation require and then we will give them a report and advice as to where to go from there.

In addition to that, from the Australian Hotels Association and Tourism Accommodation Australia's perspective, we are offering marketing and social media training for our members, marketing of course, but social media is becoming more and more a tool to be utilised, whether it is on the internet or whether it is through Facebook or whether it is through Twitter, et cetera.

They are all things we will offer but if we can give you a written document that outlines all the schemes that are available for our members; that would be appropriate.

**Ms GIUSEPPE:** Just one other thing, one of the greatest areas of skill shortages across New South Wales overall in terms of accommodation, restaurants, pubs, et cetera is chefs. We belong to Hospitality Training Solutions, which actually trains apprentice chefs and places them into regional areas. It does it in regional areas and Sydney areas.

Those sorts of programs where you are actually training apprentices from school, encouraging them on a career path, providing mentoring, are fantastic where you have got an occupation like chefs, which is in such short supply and it is hard work. It does not pay fantastically initially and all those sorts of things, but that needs to be encouraged in terms of meeting some of those shortages in regional areas.

**The Hon. NIALL BLAIR:** Firstly I wanted to commend a lot of your members with the Australian Hotels Association in the way that they have really taken on board the destination premises approach, particularly around food. I can think of many examples, particularly in regional New South Wales where people travel a long way to go to a pub to have a good feed. I think that has been great and filled that void from probably the loss of revenue from smoking. I know I certainly go to pubs with my family a lot more than I did before and I get plenty of recommendations via Twitter from you Paul as to where to go, because I follow you on Twitter.

That has been a good aspect but hotels in relation to accommodation; do you have a

breakdown of that? From my observation I would say that there are less and less people that stay at these pubs and I think that they could be a key player in filling some of the overnight stays in a lot of these regional towns. Am I fair in assuming that there are less and less people staying at pubs than there were previously?

**Mr NICOLAOU:** That is the case because you have got bigger players who are coming into the space who are filling that, whether it is Mantra or Quest and so on. That is having a big impact. But a lot of our members are starting to realise if they do not modernise—because most of them are providing a bedroom and that is it, and they have got a shared bathroom and people do not want that anymore. They want their creature comforts and therefore Quest and Mantra and all these other players are providing a better solution for accommodation.

We are encouraging more and more of our members to take that up. They have got the rooms, they have just got to modernise them, but again cost is a factor. We were talking about councils. A lot of our members want to put in development applications or building applications but because it takes a year or it could take longer, it could be that others are against them expanding or refurbishing their facilities, they are always reluctant to go and do that.

There needs to be more of an encouragement and whether it is an incentive, whether it is some sort of payment incentive or some sort of incentive from councils to do up their facilities; I know a fair few of them are doing that because they can see some value in it, along with the food.

For example, up in Singleton with the increase of mining, a lot of them are providing a lot of the workforce with their breakfast, lunch and dinner, not only accommodation. There is scope and there are opportunities for that to occur.

**The Hon. NIALL BLAIR:** I guess that is where I am heading. We have genuine agreement amongst many different witnesses to date and I am sure we will hear some more very shortly; that that unregulated illegal accommodation market is a problem. Here we have, I think a prime example of buildings that are well located, that generally fall under the right building codes to have all of those safety aspects, and I agree that they are probably outdated and have shared bathrooms, but again that is what you are getting in some of these houses anyway, a shared bathroom.

Surely there needs to be a better focus from the industry but also from the regulators to try and encourage the revamp or the reinvention of this hotel type of accommodation. It might be a bit noisy on a Saturday night; it depends what time it closes. People are going to these other areas because obviously they are cheaper and they are easy whereas I think the market that is available in some of those pubs is probably a bit outdated. I am just curious, are you promoting that amongst your members and I will take on board the regulation and those sorts of issues as a recommendation, but what are you doing internally to promote that as well?

**Mr NICOLAOU:** We are and I will table our *Hotel News*, which is our latest edition of our industry magazine. In there you will see how we are encouraging but also seeing a whole range of hotels doing up their facilities, both from an accommodation perspective but also as you mentioned before, food and beverage.

As an industry we firmly believe that if we are going to encourage our members to continually support the industry, we need to support them because they are the fabric of local communities and they are, as you quite rightly said, legal establishments and they have got the facilities. We just need to encourage them, which we are doing, but we also do need the support of Government and council to encourage them to do more.

**The Hon. NIALL BLAIR:** I agree. I use the example of Narrandera pub in the Riverina where people travel for hundreds of kilometres for a feed and the local hotelier has now put a fantastic sculpture across the road where people are now driving off the Newell Highway just to take pictures and go into the pub. That is a win/win. That is great.

**Mr NICOLAOU:** Can I add to that. You do not have to go far from here to go to the Watsons Bay Hotel, it is a destination in itself. I was there yesterday for lunch and the accommodation there is first class. There is investment but to that point that Paul was making earlier, time is the factor

here. If we can get applications through quickly I think you will see a lot more development and if you are encouraged to maybe put a few more rooms on than was originally allowed, that could help too. The other issue around the building code is we need to have a look at the constraints that that puts on us. There is a lot of push to one in 15 rooms to be accessible rooms for disability. That is a good notion except on industry statistics they are less than three per cent occupied. The bigger you get, the more accessible rooms you have to get and we have got some issues around that which we are dealing with at a Federal level through the Australian Building Code Board but that will be one inhibitor from an investment perspective; they cost a lot of money to do that.

**CHAIR:** Thank you. Unfortunately we have run out of time. Any questions that have been taken on notice, you will have 21 days for response. Thank you very much for appearing today.

**(The witnesses withdrew)**

**MR STEPHEN HENRY FAIRNHAM**, Manager, Property and Economic Development, Gosford City Council,

**MR EDDIE LOVE**, Interim Director, Environment and Planning, Gosford City Council,

**MS ROBYNE ABERNETHY**, Chief Executive Officer, Central Coast Tourism, and

**MR BOB DIAZ**, Chairman, Central Coast Tourism and local tourism operator, affirmed and examined:

**MR JOHN MOULAND**, Manager, Customer Services and Communications, Gosford City Council, sworn and examined:

**CHAIR:** Would you like to make an opening statement before we commence with questions?

**Ms ABERNETHY:** First of all, thank you for the opportunity to address the Inquiry today and to be involved in the decision making process for tourism in regional New South Wales.

Whilst I am not new to the tourism industry, I have only recently taken up my regional position at Central Coast Tourism. I welcome the new focus on tourism in New South Wales and see it as an overall win for the industry. However, I feel the one size fits all approach to regional tourism does require some qualification.

Just to give you a little background on Central Coast Tourism, it is a membership based organisation funded by both councils, Gosford City Council and Wyong Shire Council. Our role is a broad one and the organisation has been extremely progressive in its thinking and approach. The reason I raise that is because Central Coast Tourism is at the second stage of destination management planning.

In 2010, due to decreasing numbers for overnight visitors, we actually commissioned our own destination management plan. Out of that came the tourism opportunity plan, which identified viable catalyst projects and other projects that would be seen to encourage investment, amongst other things, and we are now in the process, as you are probably all aware Destination NSW now require a destination management plan, and we have a draft destination management plan for the next years through to 2017 awaiting approval.

I just wanted to give you some background there on the fact that we have already gone down this process for some years. Thank you.

**CHAIR:** We will commence with questions starting with the Hon. Steve Whan.

**Mr WHAN:** I will go straight to the question which I am sure the Hon. Jan Barham is going to ask dealing with holiday letting. The Central Coast Tourism submission essentially I have read as you do need to have private holiday letting because there is not enough holiday accommodation. I would say that is probably the same, particularly for the south coast councils as well.

You are looking for some sort of state-wide regulation of holiday letting. What exactly do you want to see?

**Ms ABERNETHY:** You are correct. We do not as a destination have enough commercial accommodation to cater to our visitors, particularly in peak season. The concern by many of our members and locals is that the holiday letting side of things is unregulated, in that they are not required to work to the same rules and regulations as everybody else.

Whilst we need it, we understand that it also has an impact on the local community and we are very much in favour of how Gosford City Council has started to approach this and address it in their draft local environmental plan.

**Mr WHAN:** How have Gosford City Council started to do that?

**Mr LOVE:** I am probably best to answer that. Within our draft LEP there are clauses that identify residential property under a certain size, which is four bedrooms and below as being exempt development to be utilised as short term lettings. Five and six bedrooms to require development consent and anything over six bedrooms is not permissible.

The local environmental plan provisions also have some developmental control provisions which even a development that has four bedrooms or less, if there are some triggers within the development control plan that says that if there are three complaints from the previous 12 months, then the exempt development provisions no longer apply. So a development application needs to be considered by council.

That will give council the opportunity to potentially issue consent if they deem that that is appropriate with conditions. One of the solutions may be if there is some concern about the management of the property, a time limited consent, so it is only for a particular amount of time. There also may be some conditions around noise and other behavioural type issues with the use of the land.

**Mr WHAN:** Is that in development or have you started to apply that?

**Mr LOVE:** It is in development. We included clauses in our draft plan some three years ago. That plan still has not been gazetted and we are only going through a separate process of a planning proposal to bring those sorts of provisions forward sooner rather than waiting for the new comprehensive local environmental plan that is under development.

**Mr WHAN:** Flowing from that, are you going to be able to maintain from that register of who is actually undertaking holiday letting in your area or is being exempt development going to mean that you do not have an overall handle on it still?

**Mr LOVE:** It will be treated like any other development. We would not have a register, the same way as other exempt developments; there is no register of other exempt development for other land uses.

**Mr WHAN:** You still would not be able to have an idea of exactly who was letting what in the area?

**Mr LOVE:** No, only if there was a particular problem, which is the same with any other development.

**Ms VOLTZ:** I assume you take in Tuggerah Lakes and those kinds of regions with Wyong Shire? That region has changed significantly from the sixties, seventies and eighties to what it is today, where people used to have holiday shacks there and it is now really an extension of Sydney. With the holiday rental market, putting aside the bad behaviour of some tenants, is that also creating a conflict in what has traditionally been a holiday region in Sydney and is now essentially a place where people live as part of an extension of the Sydney area?

**Mr LOVE:** Yes, the place has changed but Gosford and the Central Coast is very much built upon the holiday home. It is why people started to move to the Central Coast because it was where they had their holidays. They had their holidays there because they either had a second home or stayed in a holiday let.

I think there needs to be a clear difference understood between a holiday let which is traditionally used, and has traditionally been the case on the Central Coast, where it is generally for a family and it provides a different choice in accommodation for families to go on holiday, and something that is a little bit more economical and a bit more flexible; and houses are being used for venues. More recently and when I say recently, in the last few years, we have seen issues arise in terms of land use conflict where houses are being used for venues. So they are hired for a weekend and they are used for a party or some kind of function.

There is no intention for the rules around short term holiday lettings to include those sorts of

uses. That is outside of what we accept as being short term holiday lettings. It is very much about providing an avenue of choice in relation to accommodation and providing additional amount of accommodation because of the commercial type of accommodation, that there is not enough of on the coast.

In terms of the traditional use of holiday lets for a family to go on holidays, we have not had any issues with land use conflict in relation to those.

**Ms ABERNETHY:** You are correct, the Central Coast region has changed, like many destinations, roads are better, cars are faster and technology has improved the way and the timeframe in which we are able to book accommodation. I guess that is part of the clear fact here, in that with the development of technology and the internet in particular where people are able to go online and look and book so to speak, there has been a move away from the traditional contact that you would normally have with people who are booking these types of accommodations. Normally you would have, as the owner of that property, a telephone conversation with them.

**Mr WHAN:** Or the real estate agent looking after it.

**Ms ABERNETHY:** Absolutely. There is not that face to face control, that okay, well here is the key but here are the rules and that sort of thing. It has, most definitely, changed the Central Coast and many areas.

**The Hon. NIALL BLAIR:** I think it is a difficult question. I wanted to go onto the issue of special rates levies and what your view is on those. Linking it back to what I was asking before, is it practical to put a special tourism rate on tourism based businesses but including those informal holiday rentals somehow?

**Mr FAIRNHAM:** Council does have a special rate, which is the tourism business development rate. That has been there for some years now; I cannot tell you exactly how many, but many years; long before I came to council. That is currently on 3,114 properties which are categorised as business. It is not just tourism; it is tourism and business development. Some of that rate is used towards business development activities which council supports.

The question you asked about whether we could include these holiday lettings, as we said, we would not have a register of them and it would be a massive detail to try and create something like that, and whether you could then put that impost on, I would have to look at the Local Government Act.

But certainly it is not something we are contemplating at all. If these abide by the rules of just a holiday letting, family letting then we would not have a register of them. As they are exempt development we would not know they are there. The levy will stay as it is at the moment but it is not planned to change it or extend it. We would have to get ministerial approval anyway.

**Mr DIAZ:** When Wyong Shire Council wanted to develop The Entrance, you might have heard about that, back in 1993, 1994, 1995, they brought around a special levy and as a tourism operator we turned around and said we did not really like it. No one wants to pay extra money. But when we found out where that levy was going to, that 2.5 per cent was put onto the rates, it was then for every business in The Entrance. It also then moved out to about three or four kilometres, of people who were depending on that extra business and they were holiday lets, they were any other business in that area, made use of that benefit.

I can tell you now that speaking to all of those operators, they are quite happy to pay the 2.5 per cent.

**Mr WHAN:** When you say holiday lets though, it is not the informal. I guess what I was just getting at, is there any practical way of including everybody who gets an income from that source in a levy and the answer is no.

**The Hon. JAN BARHAM:** That is right. You can only apply it if they are an approved use.

**Mr DIAZ:** It went on the classification.

**Mr FAIRNHAM:** Yes, businesses classification levy but there was a levy put in Terrigal some years ago, in 2004 or 2005 which was about the upgrading of the Terrigal city centre. I believe that some local holiday letters were included. I am not sure about how that was done and exactly what terms they were, whether they were just a house or whether they were actually a business. I cannot give you that detail at the moment. But generally our tourism levy has no control of that and does not take that into account at all.

**The Hon. PAUL GREEN:** In terms of that special rate that the Hon. Steve Whan was talking about, that is one of the things in the Shoalhaven that is really annoying because you have got a majority of businesses that are contributing to that yet there is a whole gamut of people out there freeloading on the marketing. I guess you cannot track it down because they have not got an ABN because they are not doing it legally. What we have got to do out there with maybe regulation change is, without penalty; build a culture of ownership in that every dollar that comes in will multiply our opportunities. I think what is out there is they are scared of being penalised for going under the radar. We would need an amnesty or something where we say no, you are coming into the fold and that actually increases our ability to increase tourism in our district. Rather than a penalty it can be something you can actually help make a change that is good for our district. But trying to police it, it is difficult and there a lot of people freeloading on a lot of businesses' hard work and levy.

**Mr MOULAND:** That is right. Robyn might like to add to that because we have had that discussion.

**Ms ABERNETHY:** Yes, I do want to add to that. I guess this is the whole point of actually classifying or re-classifying tourism as the visitor economy. It is about an education process to make sure that people understand that they actually are a part of this. Whilst our direct expenditure or our direct benefits from the visitor economy is \$800 million, it is estimated that it is about \$1.4 billion through indirect benefit.

It is really important and it is part of what we do at the moment and part of what we are working towards in the future, is educating and trying to bring people more into the fold of the visitor economy so they understand that if you take that \$800 million out of our community and out of our economy, many, many people will fall over. They just do not understand that they are involved in the visitor economy and per se, tourism.

**Mr FAIRNHAM:** If I might just add to that, one of the problems, if you are talking about regulation, it would place another burden on a local government that has trouble regulating anyway. The other thing is we have a lot of home businesses, home industry which are exempt development that we do not levy. This is not just a tourism levy. We do have a tourism business levy, everybody treats it as a tourism levy, but it is both, across all business development. If you start looking at home businesses, home industry, all those sorts of things, then you are starting to add in a minefield of how we follow that, because they are exempt development, the same as the little holiday letting. I am not sure that we can capture all that in that way.

**The Hon. PAUL GREEN:** Hence my point about education of a culture of being part of a solution for the local districts and creating jobs rather than a penalty saying you are doing the wrong thing. Build a totally different mindset about why we are doing what we are doing.

Can I ask another question? In terms of your tourism numbers and things like that, do you see that there would be any need for additional funding needs for infrastructure that may be heavily utilised by tourism because of the impact of tourism?

**Mr WHAN:** That is an open ended question.

**Mr MOULAND:** Are you asking the council?

**The Hon. PAUL GREEN:** Anyone who wants to answer it.

**Ms ABERNETHY:** The short answer is absolutely. As highlighted in our original

destination management plan, the tourism opportunity plan and the current destination management plan in draft format; that is very much a part of how our region will move forward. We need infrastructure development, we need investment and from our point of view, we are one hour north of Sydney off the new M1 freeway, which was the F3 and that is both a hindrance and a help. We have two very big source markets for visitation, however again because of the advances in technology and everything else, cars are better, roads are better, technology is better, so people consider a day trip as a day trip all the way up to Port Stephens area. There are some limitations that we have and we need to have investment in infrastructure to create more opportunity for the region and also other complementary things for people to come and see and revisit the Central Coast.

**Mr DIAZ:** Can I just add to that, the Central Coast Tourism is actually at the forefront to actually help local businesses to stimulate growth. We put on two forums where we allow our local operators to seek government funds so that they can actually do enhancements to their properties to actually allow more visitations to that area.

**The Hon. JAN BARHAM:** Do you have pressures that arise from this day tripper impact in terms of congestion or additional pressure on your toilets, your parks, your waste stream, and those sorts of things?

**Mr LOVE:** There would be additional pressures. I would just like to add, there has been some research recently the University of Adelaide looking at understanding temporary visitation to coastal communities and basically that research has found there is actually no collection or measure around the numbers of people that are within a particular local government area that are temporary visitors.

A large proportion of council income comes from the financial assistance grant. Part of the way that is calculated is through population. However, in relation to temporary visitors, it does not take them into account. Whilst council needs to provide the infrastructure for those temporary visitors; that needs to be taken into consideration with the obtaining of the grant, but it is not there.

I know that this research was recommending that the Australian Bureau of Statistics look at developing a means for collecting that information so that those temporary visitors can be counted when it comes around to census and then that can be taken into consideration with the population that goes to generate the amount of the financial assistance grant.

**The Hon. JAN BARHAM:** This is the sea change task force report. Are you still a member?

**Mr LOVE:** Gosford City Council is not a member of the sea change task force.

**The Hon. JAN BARHAM:** But that issue about the formula that is used to derive the grant funding, when it is only resident population it really does not look at that impact.

**Mr LOVE:** That is right.

**The Hon. JAN BARHAM:** I am interested in the point about your draft local environmental plan. Are you saying that exemption is going to apply to the part time use or the temporary use or the all year round use of a premise for tourism and the difference being under three months or all year round for that temporary use?

**Mr LOVE:** The wording in our comprehensive local environmental plan, which was wording which was changed by the Department of Planning when it came back to us, has for six months. We had some issues with that because it is about how do you police that six months. We objected to that but that is what the wording in our comprehensive local environmental plan is at the moment, which is still in draft form.

In terms of the planning proposal, which is the separate process we are going through to bring in the land use of short term accommodation, we do not have that six months in there, it is all year round. With the recent court case that has stimulated a lot of this, the judge talked about three months and anything under three months is short term letting.

**The Hon. JAN BARHAM:** That is right.

**Mr LOVE:** The context is particularly useful in that respect.

**The Hon. JAN BARHAM:** That is allowing it in your residential zone?

**Mr LOVE:** That is right.

**The Hon. JAN BARHAM:** So whatever it is now, it was 2A and is now under the SI whatever.

**Mr LOVE:** Yes.

**The Hon. JAN BARHAM:** Have you seen a loss of residential dwellings because of this use? I will give you an example. In the period of five years in Bryon Bay there was a loss of 22 per cent of dwellings available for permanent living because they were being used for holiday lets. Think about the pressures that that puts on the area. Have you considered any of those points? You lose housing; then you are going to have to grow more and spread and more costs for council with roads, sewerage and water.

**Mr LOVE:** We have not collected that information. We do know on census night there were 8,000 properties in the Gosford Local Government area that were vacant.

**The Hon. JAN BARHAM:** Out of how many?

**Mr MOULAND:** We will have to take that on notice.

**Mr FAIRNHAM:** There are 70,000 rate paying properties.

**The Hon. JAN BARHAM:** That is just in Gosford Council?

**Mr FAIRNHAM:** Yes.

**The Hon. JAN BARHAM:** Eight thousand vacant. Was that a huge increase from the previous year do you know?

**Mr LOVE:** I do not know. I would have to take that on notice. The industry in terms of the housing letting organisation estimates that approximately 3,000 properties are used for short term letting in the Gosford Local Government area.

**The Hon. JAN BARHAM:** Do you have a housing shortage otherwise? Is there a huge shortfall?

**Mr FAIRNHAM:** I think there would be a comment that there is a shortfall of affordable housing. There is certainly a range of housing but I think the general comment in our area, which is in many areas, is that there is a shortfall of what we would term to be affordable housing.

**The Hon. JAN BARHAM:** There has also been in the last decade an increase in the value with the transport and all those other things, so you have got multiple impacts.

**Mr FAIRNHAM:** Impacts on that, yes, that is correct.

**The Hon. JAN BARHAM:** What is the overriding attraction for your area? Why do people come?

**Ms ABERNETHY:** Well I guess traditionally the overriding attraction has been our beaches and our bushland. However, we do have some key major attractions that are quite unique to the region in the Australian reptile park and Glenworth Valley outdoor adventures, but there are other things as well that have come up over the last couple of years. The tree tops adventure park in Ourimbah, but we are working very heavily at the moment and part of our destination management processes is

identifying new complementary reasons for people to come back to the Central Coast. It has long been a coastal region and the attraction has always been the beaches and the bushland, which we have those and we will continue to market those, however it is the complementary things and the complementary offerings in the regions surrounding us that we will be focusing on in the future, because we do have a lot more to offer and unfortunately that message is not out there yet.

**Mr DIAZ:** We have also looked at focusing on that to try and get the day tripper; keep the day trippers going there. Work used to be a very long trip to come down from the Central Coast. It is no longer that. Most people get here in an hour, an hour and a bit and that is what we are trying to focus on.

**The Hon. JAN BARHAM:** Are you also a backpacker destination? Do you think you are attracting that younger market?

**Ms ABERNETHY:** Only limited at the moment. We have only a few backpacking options but it is certainly something that we are looking at.

**Mr MOULAND:** Could I add to Paul's question about infrastructure requirements? I just want to make the point where we are currently working with the State Government on a number of major infrastructure projects, including the revitalisation of the Gosford waterfront and that will take in a number of smaller projects, including conference facilities, hotels. These projects will be essential for Gosford moving forward and we are looking forward to working with the State Government about securing funding and building that infrastructure because that conference market will provide a number of solutions to our current issues on the Central Coast about getting people to the Central Coast, keeping them there and making sure they experience a number of other tourism opportunities while they are on the Central Coast.

**The Hon. JAN BARHAM:** What funding stream is that?

**Mr MOULAND:** We are still trying to identify those funding streams at the moment. There is ongoing discussion with the State Government and other opportunities for funding as well, but we are looking forward to having some of that clarified over the next few months.

**Ms ABERNETHY:** If I could just add one thing to that and that is that the infrastructure that John is talking about is vital for us to top up the visitation at times that we need it. As a coastal destination and being so close to Sydney, our weekend market is quite full, even though there is still a bit of capacity there, but the target that we need and what the destination needs is to address the off season low visitation and the mid-week visitation. We believe that the conference market is certainly, with the right facilities, a way to address that.

**The Hon. PAUL GREEN:** Are you doing much in the way of sports tourism?

**Ms ABERNETHY:** Actually yes we are and again that has been one of the areas that has been clearly identified in our destination management plan. Sports tourism is a key for us because we do have many of the facilities that are required in both council areas. We have the location and we have the facilities; what we have not had in the past is a collaborative effort to attract those sporting events. Obviously it does require clear collaboration through not just the councils and the tourism bodies, but also through the individual sporting organisations. Also as a destination we have to be able to approach that in a collaborative format but also have the funding available to attract some of those bigger events. That is certainly a key for us moving forward.

**Mr MOULAND:** We would like to work closely with the State Government, Destination NSW. We are only an hour north of Sydney. We have got one of the best stadiums, we believe, in New South Wales and we would definitely like to see more opportunities coming to the Central Coast, especially at the Gosford stadium in regards to showcasing a number of those major events as well.

**The Hon. PAUL GREEN:** Obviously the Committee is trying to find some ways forward to improve tourism in New South Wales, especially helping all sectors get a hand up where we can. I like those words top up funding. Is there a recommendation that you would like to see come from this tourism Inquiry that you specifically think this would really help us?

**Ms ABERNETHY:** Probably not so much a recommendation but a concern that I have and I eluded to it in my opening statement, is the fact that regional areas are being treated as a one size fits all approach. We have the requirement now to have a destination management plan, which is wonderful. It does give people a focus to move forward. The problem that I have and as a destination that we have is that one of the key imperatives is to increase overnight visitation. I wonder if the capacity for regions close to Sydney, the capacity for them to actually affect that has been considered. We certainly have a high visitation from day trippers; it is just under 3.8 million. They spend about \$70 a day. We do not want to lose that. Our overnight visitation is about 1.3 million and they spend \$143. So it is a clear avenue for us as a destination to focus on that overnight visitation but the capacity for us to actually deliver on that will be primarily part of the result of how well Sydney is able to deliver on attracting that visitation as well, because it is dispersal into the regional areas that is the key.

**Mr WHAN:** Is most of your visitation from Sydney or are you saying there is international visitation coming as well?

**Ms ABERNETHY:** Our prime market is Sydney absolutely but we do have some international market. There is in total about \$24 million of our \$800 million is from the international market, but much of that is of course day tripping as well, because we have two very big attractions that are right on the freeway and if you know the international market, which I am sure you all do, dispersal into the regional areas is really a day trip. It is not really overnight visitation. It will take some effort to get them to stay overnight, even though we are actually trying that.

**The Hon. JAN BARHAM:** Can I ask how much each of the councils contributes to the marketing and the programs for the Central Coast tourism?

**Ms ABERNETHY:** The Wyong Shire Council contributes \$150,000 and Gosford City Council contributes just over \$500,000.

**The Hon. JAN BARHAM:** That funds employees as well as marketing, research, what is the breakdown of that \$650,000?

**Ms ABERNETHY:** Off the top of my head I could not give you a complete breakdown but we have at Central Coast Tourism seven staff, we operate the Kariong gateway visitor information centre and the Gosford visitor information centre. We have a visitor information centre at The Entrance but that is funded separately through Wyong Shire Council and on top of that we have a membership base and work on co-operative programs to match the funding that we are able to access through Destination NSW.

That in itself is part of our problem for our members and for our local tourism operators in that it is the capacity for us to match that funding is sometimes an issue because we only have say, four or five key players and the rest of them are small business operators.

**The Hon. JAN BARHAM:** This is where the visitor action plan has identified that requirement of dollar matching rather than direct grants being made available; so that is a problem?

**Ms ABERNETHY:** Correct, yes.

**The Hon. JAN BARHAM:** Could that mean that rather than contribute to your organisation, to obviously pull all that together, people pull away and want to match the State money, so there is not more money to go around, it would be an either/or?

**Ms ABERNETHY:** I think it is a combination of both. Obviously the new funding is both a contestable pool and a quarantine fund for the regional tourism organisation. Most of our operators would want to work through Central Coast Tourism so that they can benefit from the collaboration and the joint funding.

**The Hon. JAN BARHAM:** Which is an investment in itself?

**Ms ABERNETHY:** Absolutely and again, you have mentioned it already there are many operators out there who do not invest but ride on the coat tails of everyone else. I think that this is one of the key things that through Destination NSW, if you are on, get connected. You can access everything, but you are not actually invested in the industry.

We have addressed this through our membership framework where for as little as \$60 you can actually work with Central Coast Tourism and that is our key to drag people in and get them to then see what they can benefit from and move up in their membership levels.

**Mr DIAZ:** It has worked very well over the years, extremely well.

**Ms VOLTZ:** Well done.

**CHAIR:** I have only got one question in relation to Gosford City Council, your open for business campaign. Could you outline what that entails?

**Mr MOULAND:** We are in quite unique situation. We have a new general manager, Paul Anderson. We have a relatively new council that was elected last year. Our organisation is committed to moving forward and doing things differently.

The open for business campaign was a public statement about a new way for local government to work within the Gosford area and it was about working with our local community, working with businesses, working with investors to make sure we build the Gosford city, our residences and businesses as one.

In relation to this Inquiry, why we included it in our submission, it is easy for the Gosford Council to ask everybody else for their co-operation, additional funding and support. We had to look internally as well. We looked at our process in the systems, especially in relation to development applications and the way that we managed our relationships with local tourism operators, to try to remove as much red tape as we could, to make that process a lot easier to deal with council. There is enough red tape in the system already. If we can do our part about reducing that and making life easier for our businesses, we want to build a better economy on the Central Coast.

**CHAIR:** So it is only just beginning to be rolled out now?

**Mr MOULAND:** Yes, it started to roll out at the beginning of the year and it is just the way we do business now. We do not see it as a program anymore, we see it as a culture shift for our organisation and moving forward there will be more and more projects—whether it is called open for business or just be the way that we interact with our community—it is a way that we are approaching the way we operate, the culture of our staff and our policies and everything we do as a council.

**The Hon. PAUL GREEN:** The Southern Highlands had something like that, an ambassadors program. Once again, talking about changing cultures and the culture of ownership coming into every household and every person, the ownership of the area to ask their friends to come and holiday and different things like that; is it something like that?

**Mr MOULAND:** We have 1,400 staff. We have 1,400 ambassadors out there every day within Gosford, talking Gosford up, going out and supporting our tourism operators, working with local businesses, really building that confidence within our region because we can all be our own worst enemies on occasions but we need that optimism, we need to be out there, we need to be changing the game ourselves.

I believe that change starts at home and our council definitely does. That is what open for business is all about, changing that culture and putting that sign up for the community. We actually hung a banner outside the front of the building. It was amazing. It was a line in the sand for our organisation, but it was also a line in the sand for the community as well, saying that you either jump on the bus and work with us and move forward with the direction that we are heading in or you will just be left behind.

**The Hon. PAUL GREEN:** It sounds like a campaign for New South Wales, ambassadors

for New South Wales.

**Mr MOULAND:** I was really happy during the week when I heard it as part of the election campaign.

**Mr FAIRNHAM:** If I could just expand a little bit. I have only been in Gosford for eight years and I have worked in local government and private enterprise. It was interesting when I first came to Gosford I guess there was a community where everything was the council's responsibility. Nothing could happen without the council being responsible for it. Part of this process and I think everything is about turning that around slowly, getting the ambassadors in the community, which we have just established a new economic and employment committee of council with outside business people who are going to be our ambassadors not only in Gosford but certainly wherever they travel. It is about changing that perception and getting the community to come on board so they have a stake in this. You cannot just look at the government or the council to say it is your job. No, it is everybody's job. Let us all do it together.

**Mr MOULAND:** If I could add, that mindset is already changing. It has been wonderful to see people coming to us with that expectation of working in partnership with their council. Instead of seeing us as a roadblock, as I am sure you have heard from a number of your previous witnesses.

**Ms VOLTZ:** I just ask this question, because you spoke about red tape. We just had the camping and caravan industry in talking about regulation in the industry and the problem with unregulated parks. What in particular do you mean by red tape, because quite often it relates to things like development applications and those things in particular that people want governments to have a role in, but it becomes this over-arching panacea word that does not mean anything unless you are defining what it means?

**Mr MOULAND:** I might give an overview and then I might pass onto my colleagues to give you the exact details of what we are doing in regards to development applications.

I think it is that fundamental change where you start looking at your processes and your systems from your user's point of view and your community's point of view. We are very good as bureaucrats to have a look at what we need as information before we move forward on a project or to approve a project but we need to get really good understanding of what our community needs and start working backwards from there, and start slowly changing the way we do things to ensure that alignment with that community expectation.

In regards to development applications, Stephen, do you want to talk about streamlining processes?

**Mr FAIRNHAM:** I think Eddie certainly put something in place as director, but I can talk generally about it.

**Mr LOVE:** In terms of red tape it was interesting listening to the previous conversation about the time taken for development applications to be approved. In some respects when people talk about development applications, they do not just look at the actual development application itself, there is also what goes on before and sometimes what goes on before is a rezoning or a planning proposal needs to be done. That is especially so for larger impact tourism developments.

Potentially if there is nothing that has preceded that planning proposal, then that can be a very lengthy process because a lot of strategic work needs to be done to support that planning proposal.

That aside, in terms of development applications I guess what Gosford City Council has been doing in trying to minimise and remove red tape where we can, is really focusing on processing systems, looking at minimising the amount of time that we have with development applications. There has been some recent successes in that area where we were, as a council, running with 22 or 25 per cent of development applications were 180 days 12 months ago and that is down to two per cent.

In some respects if your development application does not stack up, then you are going to get

it back. We are not going to deal with it. In order to process a development application you need to have the right information and full and comprehensive information.

Some of it is also about getting the focus on really a bit of an attitude change around looking at development applications. It is a very complex system and I know there is a process of change in the legislation to try to simplify that system but any complex system needs facilitation to step through that complex system. Very much a focus that we have is assisting applicants to step through that system rather than pointing out where they are going wrong, but also being part of the solution without obviously stepping over the line of becoming the designer and the proponent.

For council it is sometimes a fine line to tread, but it is very much that facilitation and helping out to show the way through a very complex system.

**Ms VOLTZ:** It is not necessarily removing the red tape; it is actually improving your key performance indicators?

**Mr LOVE:** In some respects, but whether you call it red tape or whether you call it bureaucratic process. It is about trying to promote some empowerment as well; so taking as much as possible advantage of technology. Say, for instance, whenever a property changes house a planning certificate needs to be attached to the contract of sale. At the moment it is very much a case of someone has to apply to the council, council has to process that, then they issue the certificate. So there are processes involved in that.

It does not take very long but there is still a process that is involved in that. Where we would like to get to is have systems available to us where you do not have to come to council, you can just go online and basically get it issued to you straight away because comprehensive information is held. We do not have the systems yet to provide us with that, but that is where we want to go.

In some respects it is a removal of red tape because there is a bureaucratic process that has been removed.

**The Hon. JAN BARHAM:** Do you provide a pre-development application service and do you find that that helps, if people come along wanting that service?

**Mr FAIRNHAM:** It is a combination of services depending on the size of the development. If it is a very large development, then we traditionally had an economic advisor in council, we are about to employ another one, who deals with people where there is job generation, who will help them through that system. They come to them, they talk about it and then they will liaise with the environment and planning group, who then have set up a pre-lodgement system. We really encourage that with any large development because it means that they get to understand what all the requirements are up front, otherwise we get the problem where we get drip fed. They lodge something, you need this, you need that and that is what we want to get rid of and say up front, these are all the things that you need to provide in order for us to facilitate what you are trying to do.

So we do have a couple of processes but for larger developments we have a very clear process and for other developments, anybody can come and get a pre-lodgement.

**The Hon. JAN BARHAM:** Have you ever found that difficult circumstance where sometimes people are given a long road to get to that point because consultants are involved who very often say it is the council's fault, whereas that direct contact with the applicant, for example, these applicants saying they want to expand, if they came straight to you they would find out exactly what was what, would they not?

**Mr MOULAND:** Eddie will speak from a planning point of view but from an open for business point of view, part of our publicity campaign was to make sure that the public knew that we were changing as well. There were lots of stereotypes around local government and bureaucrats in general. The community needed to have that confidence, to have those discussions with the council. Eddie will expand on what we are doing on a practical basis to make sure that happens.

**Mr LOVE:** One of the initiatives that we have introduced which I think is part of the

success in reducing the amount of time taken for development applications, is when a letter goes out asking for more information around the development application, then that letter does not just go to the applicant, it goes to the owner as well, because what we were finding was the owner was starting to jump and down and say why is this taking so long? We say, we have been waiting for information from your consultant. To try to ensure that there is a greater level of knowledge around the progressing of the application, we actually write to the owner as well. I think that has been part of the success of bringing down development application approval times.

**The Hon. JAN BARHAM:** I think that is a bit of a wake-up call. Can I ask about employment? You have got an economic development officer, are you looking at the type of employment that is involved in the tourism industry? Do you have any breakdown on that and what is needed and whether there are any moves to support training and opportunities for employment enhancement?

**Mr FAIRNHAM:** I might pass over to Rob; I am not across that at the moment. Certainly we would look at all opportunities for employment wherever we can. In our community we have large unemployment, as does Wyong, particularly with the youth and our major employer is retail in Gosford in terms of our youth; that is where they go. We would like to see that change and the skills change so we can enhance that, which is why we are working with the University of Newcastle currently to put a small campus in Gosford city, which is about enabling courses, encouraging going onto other education.

We have a reasonably high year 12 rate but a very, very low tertiary rate of all our children and they have to go outside Gosford basically to get that further education.

**Ms ABERNETHY:** I think that that is a key point, the fact that a lot of our skilled workers do go outside the area, over 40,000 commute every day to Sydney. We lose that skill base fairly quickly and because of that we have a transient skill base, particularly in the hospitality side of things. I have been talking to operators recently that are finding it difficult to get skilled workers and it tends to be because the amount of hours that they have on offer are limited. Again, it goes back to the fact that our destination is a summer holiday destination and primarily a weekend destination. Part of our moving forward is to try and build the visitation and all of the things that flow on from that in the off season.

We have spoken about some training courses, certainly within our organisation. We look at training from a marketing point of view and I guess a social media point of view and digital technologies. We have recently run our own workshop on that. In general it is done through the TAFE colleges and we work with them. We try and give work experience placement wherever possible, but we are only a small organisation, so we cannot take too many of those.

There is some good schooling on the Central Coast that is addressing this and recently I was at Ourimbah TAFE College to experience that first hand. But unfortunately most of our skilled workers and those that are not trained up tend to have to go outside the area to find clear employment.

**The Hon. PAUL GREEN:** I just want to focus on that open for business. I want to reiterate how important it is that the organisation is saying we are willing to change because your investments will walk away if you think you are just open for business and the behaviour changes are not there.

In terms of the processes and the systems, like you said, it is not all red tape; it can be quite often one person's opinion or interpretation of planning law that stops a multimillion investment that is going to employ those children. I want to just say congratulations on that change and make sure that it is from the top down and that those stubborn people will change with you, because it is in the best interests of the whole district.

**Mr MOULAND:** We are not making any promises that change will happen overnight. It takes a long time for that change to filter through an organisation.

**The Hon. PAUL GREEN:** Exactly.

**Mr MOULAND:** But we are in a very lucky situation, as I said before, a new general manager, a new council, senior staff that is committed to the new direction of council and you are right, it only takes one or two people within an organisation to stifle that change.

But the biggest risk for us is it is not only the business opportunities we are currently looking at, it is the future opportunities as well. So we need to be very pro-active in our approach. We need to make sure this change happens quickly, happens throughout our organisation. We communicate that really well, so it is not only our local region that understands, but we want to make sure that people understand that if they come to Gosford and they want to invest, they want to develop, we are not only ready but we will walk them through hand in hand.

**The Hon. PAUL GREEN:** We understand that certain areas of planning cannot be negotiable. People out there think once you are open for business you can then suddenly sign off on anything. We are not suggesting that, but critical pathways to assist major developments need to exist. I think the former Government knew that and this Government knows that.

There is no better way to do business than hold someone's hand and make sure that they are getting the right information to make the right decisions, and that they are giving the right information so those decisions can be made.

**Mr FAIRNHAM:** Exactly.

**Mr MOULAND:** I like the way my colleague Eddie wrapped up before, instead of saying no, it is about proposing alternate solutions.

**The Hon. PAUL GREEN:** That is right. We do not know the word no.

**Mr MOULAND:** That is correct.

**CHAIR:** I have just got one question in relation to talking about tourism as a whole of government approach. How do you find your interaction with other departments beyond obviously the department that deals with tourism, so looking at transport and other services that obviously all feed into tourism, roads, all of those?

**Mr MOULAND:** From a council perspective?

**CHAIR:** Yes and also from the Central Coast planning point of view.

**Mr MOULAND:** I just want to make it clear that Central Coast Tourism is a completely separate organisation and they work in a separate location. So we need to be very good at the way we communicate and operate.

The communication between the two areas is strong. Our mayor sits on the board of Central Coast Tourism. A lot of the projects we undertake are collaborative projects every day. But you make a good point; that needs to filter all the way through our organisation. The things that we do as a council, we need to make sure that is communicated too.

**CHAIR:** I am more interested from the perspective of dealing with State Government departments, so transport, roads, all of the things that work in together to make the tourism industry? It might be something more for the Central Coast Tourism.

**Ms ABERNETHY:** If I can just add, the tourism opportunity plan was a collaborative effort and there were many of the departments that you are talking about included in that. I do know and there are people who are not here today that would be able to answer this in a better way, but we do have a strategic implementation group which includes members of Regional Development Australia, Trade Invest and all sorts of different government bodies as well as councils and key bodies around the region. The collaborative approach which has stemmed from our original destination management plan is certainly there, the next two plans and also the next steps for the tourism opportunity plan include a greater approach on that. But certainly from a transportation point of view, there are some

big areas that we need to look at there. We have great infrastructure that can get people to the Central Coast by way of rail, road, the ferry from Palm Beach and we have an airport at Newcastle, however once you get to the Central Coast if you are not having your own vehicle, then movement around the area is quite limited. These are all things that we are looking at and trying to capitalise on and improve.

If you look at, for example, the national broadband network rollout and technology, we have had a fairly big lobbying exercise to get the national broadband network to the Central Coast and now the big issue is how do we use it and how do we capitalise on it best. There is the collaborative approach there. For greater detail I would need to take that on notice and give you more information.

**CHAIR:** That is fine.

**The Hon. PAUL GREEN:** Did you say you wanted a second airport in Newcastle?

**Ms ABERNETHY:** No, I said we have the airport in Newcastle, so we have access from the air from Newcastle.

**Ms VOLTZ:** Are you saying they want two airports at Newcastle are you Paul?

**The Hon. PAUL GREEN:** You said that Lynda.

**CHAIR:** Can I thank you very much for appearing today. Any questions that you have taken on notice you will have 21 days to respond to.

**(The witnesses withdrew)**

**MR STEPHEN DANGAARD**, President, NSW & ACT Prospectors and Fossickers Association, and

**MR DOUGLAS STONE**, Member, NSW & ACT Prospectors and Fossickers Association and Manager, Outdoor Press, sworn and examined:

**CHAIR:** Would either both of you or one of you like to make an opening statement before we commence questions?

**Mr DANGAARD:** I will kick off with that one if you do not mind. I would just like to say thank you for this opportunity. The NSW & ACT Prospectors and Fossickers Association or NAPFA for short, is seeking to flag the benefits of prospecting tourism so that New South Wales can become basically a better place in which to spend fossicking time, both for residents of the State and for visitors. Much of what we put forward in our submission can basically be achieved with minimal cost. What it requires though is some Government action and we believe that prospecting and fossicking and the tourism from it is a very good return on investment.

If you fast forward three years, what we would like to see is that New South Wales is the cradle of gold discovery in Australia, is an exciting and welcoming destination for fossickers and that the relevant authorities are engaged to make that happen.

Secondly, that recreational fossicking and prospecting would be permitted by default in all State conservation areas of New South Wales; that it be permitted also in most areas of most national parks, with sensible exclusions on critical habitat and heritage areas only; that the requirement to seek permission from exploration lease holders in non-declared fossicking districts for the purposes of recreational fossicking is removed; that there be an accurate and easy to use online register for fossickable Crown Land to assist the forward planning of visits by fossickers and that the Mining Act carry explicit liability waiver for private landowners who allow fossickers and recreational prospectors to access their land.

I have also today Doug Stone, who is a member of NAPFA. Doug has spent a life time in helping recreational fossickers and prospectors to understand and to explore old goldfields throughout Australia. He has already done extensive field work in New South Wales which could be advanced rapidly with the non-financial assistance of Crown Lands and Mines Department mapping services.

Mr Stone is an expert in his field and he has seen at first hand the benefits of fossicking tourism and what can be done and the benefits it brings to local areas. Thank you.

**Mr STONE:** Just quickly on my background, I joined the Mines Department in Victoria in 1965—a long time ago. I was the editor of the Mining and Geological Journal in 1973. I joined the Soil Conservation Authority as public relations officer and editor in 1980 and in 1984 was a consultant with Tourism Victoria working on the Central Goldfields Strategy, as well as implementing a goldfield tourist route with VicRoads in Victoria's golden triangle. I will table my Atlas of Victoria and the reference there is page 56, which shows the goldfields tourist route through Victoria.

In 1984 I started Outdoor Press and since then have published and researched over 40 gold and relic maps, which I will table, numerous books and two gold atlases, one of Victoria and one of Western Australia. I have also been a tour operator, run "Doug Stone's Gold Expeditions", taking clients to Victoria, Western Australia and the Northern Territory and also up to Tibooburra and Milparinka in NSW..

Samples of my books, which I present to the panel, is the *Stuart Town Gold & Relic Map*, *Hill End Gold & Relic Map*, *Sofala & Wattle Flat Gold & Relic Map*, *Metal Detecting for Gold in Australia*, which is the big heavy one, and *Doug Stone's Gold Atlas of Victoria and Doug Stone's Gold Atlas of Western Australia*. I have also got a prototype of Gold Atlas New South Wales which my brother graphically designed and we picked it up yesterday afternoon. It has got these maps with the layouts and promoting. What has been the impediment for me working in New South Wales—and I have been producing maps for 30 years – is the lack of Crown Land away on the NSW goldfields.

The big selling point for Victoria and we have got now the Department of Mines back when settlement was thrown open in the 1870s, is that our Crown Land was kept around the goldfields for

its mineral content. To this day it is still there and is open to recreational fossickers.

**The Hon. JAN BARHAM:** What is the difference in New South Wales?

**Ms VOLTZ:** Maybe we should wait until we get to questions.

**Mr STONE:** You have sold all your Crown Land on your goldfields unfortunately. Direct economic value of my maps in regional New South Wales, some of our clients in regional New South Wales, Wendy Grundy, Bathurst tourist information centre, Gaye Shanahan, Northeys Store, Hill End and I can go on. They are all very personal.

Outdoor Press maps create tourist destinations not only for fossickers but for visitors interested in the history and places to go off the beaten track.

People stay longer. Hill End, normal stay one night. Fossickers can stay up to several weeks. Visitors are attracted to little known districts, Stuart Town, Windeyer, Hargraves, Milparinka and Tibooburra, just to mention a few. I have not even begun to scratch the surface of the goldfields worked in New South Wales. The only limiting factor is how much public land is still open to recreational fossicking. If there is no public land, there is no point in Outdoor Press creating a map.

**CHAIR:** We will move to questions starting with the Hon. Steve Whan.

**Mr WHAN:** I was tempted to leave this one to the Hon. Jan Barham, she sounded like she was going to ask it, but I will.

Can you just clarify what you mean by giving the Crown Land away? Do you mean it has been leased, sold or that it has got exploration licences covering it which prohibit people going onto it?

**Mr STONE:** Sold.

**Mr WHAN:** It has been sold to private land owners?

**Mr DANGAARD:** I would add that it is actually all of that and a bit more. The requirement to get permission once it becomes private land or leased to private land is an impediment. If you take the western leases in New South Wales for example, the far corner country, the requirement used to be that you did not need permission but now you do.

**Mr WHAN:** That is going to your point about liability, in your submission that you talked about before? Is the reason you need permission because land owners and lessees are concerned about liability of people going onto the land?

**Mr DANGAARD:** That is certainly one of the knock back reasons that is provided to fossickers. When you eventually find the owner of a piece of land and you go and knock on the door, some of them will let you in but others will say I just do not want you there because of the liability issues.

**Mr WHAN:** With your point about wanting to get a register of Crown land available for fossicking, I think most of the submissions we have had for people are suggesting that there is not much available at all. Is it essentially the case that people just do not know where to start looking or where to go and that even with the available land at the moment that could be improved if you had some co-operation from the mapping services?

**Mr DANGAARD:** A lot of this stuff is available on online services but it is very complicated to use. Many fossickers do not have what I call GIS user capability when it comes to land mapping resources. It needs to be easy to use. The resources exist but they are actually inaccessible to most people because they do not have the skills to extract information, whereas the types of maps that Doug has presented are much simpler.

**Mr WHAN:** Doug, I assume that your maps are covering areas of the State as I can see there

on the one I have just opened, around Bathurst, Hill End and that sort of area. What would it take for you to be provided with by Lands Department to actually be able to do this so you could have your atlas of New South Wales comprehensively?

**Mr STONE:** I could have the 'Gold Atlas' of New South Wales ready to print in 12 months if I could get access to the printouts, showing Crown Land in your goldfields, which I know they have. I would select the gold districts of interest and if we are talking about Young or Temora, they just print that out and it is actually a scale of 1:100,000; it has all the Crown Land blocks.

**Mr WHAN:** You basically only need the data on where the Crown lands are currently?

**Mr STONE:** Yes and then Julie and I get in our vehicle and we do a field reccy and then we build up our own base. Then any historic mining mapping, where I can get the original names of the gullies and then I work with the local people to take me around. I have had representatives from rural transaction centres, local fossickers in the Toyota with us and that is how we build up the maps.

**Mr WHAN:** You mentioned also in the first opening comments I think about needing to seek permission from exploration licence holders. Exploration licences for gold I know stretch over quite large areas. Is it the case that an amateur fossicker cannot enter one of those leases currently with those licence bearers?

**Mr DANGAARD:** The short answer to that is they need permission. With permission I would like to table a map if I could that would show that.

**Mr WHAN:** Yes.

**Mr DANGAARD:** Essentially on private land which constitutes most of the available land in New South Wales, if there is a prospecting exploration lease over that land, then a fossicker must get permission off the exploration leaseholder, even if they have received the private permission of the land owner. So you have to have both.

For practical purposes it is almost impossible to locate who owns a particular mining title and then to be able to track down the mining company and then to be able to navigate their own company structures to be able to ask permission.

**Mr WHAN:** To find the right person to ask.

**Mr DANGAARD:** This is grandad and his grandkids. It is just an onerous level of bureaucracy that is required.

**Mr WHAN:** I am sure you can understand that somebody who has an exploration licence jealously guards that licence against somebody else exploiting their resource. If you were going to change the law to allow this to happen, how would you differentiate, how would you make sure that they were not having some other company sneaking in under the guise of being fossickers I suppose?

**Mr DANGAARD:** I had not considered that possibility to be honest.

**Mr WHAN:** I do not know if it happens.

**Mr STONE:** Can I make a point here? In Victoria with our Miners' Rights, we do not have to seek any permission from an exploration licence. The whole idea of an exploration licence is that it is only marked on graticules on a computer system. There are no pegs in the ground, the same as with New South Wales. The companies are given an exclusive right of a large area to pull that down to a small mining area. They are dropping, and we are talking in square kilometres, 40, 50 square kilometres, whatever your graticules are, so they are doing literature search, they are not doing detailed field work. Any information that came from a recreational fossicker would actually assist them.

**Mr WHAN:** A lot of them are doing detailed field work though in New South Wales, they are obliged to under their exploration licence to be quite active. Is not the way to differentiate on the

type of activity? You guys are just surface, are you not?

**Mr DANGAARD:** My experience is mostly mining companies are interested in what is way down underground.

**Mr WHAN:** Yes, that is right, that is what I am getting at.

**Mr DANGAARD:** Certainly out of reach of a pick. The reality is though some of the surface indications for geology may be an indicator of what lies below. That would be true. The map I passed around with the purple elements, have a look at that because where you see it has got yellow, these are nominated fossicking districts in New South Wales. Under the law in New South Wales you do not require the exploration leaseholder's permission if you are fossicking in a designated fossicking district. However, as you can see from the map, there are many areas covered by mining mineral titles, which is the purple stuff; where that does not apply.

If I am in a yellow zone I do not need the exploration leaseholder's permission but as soon as I am outside of that yellow zone, I do. I am really using that map to illustrate the extent of the titles that exist where there is an onerous requirement to seek permission.

**Mr WHAN:** Can I move onto another area briefly. In your submission and in various submissions it has talked about going into conservation areas and parks. It is said that there is no environmental damage from that. surely there would be a legitimate concern about, for instance, turbidity in water and things from fossicking activities in some of the parks? How do you overcome those concerns?

**Mr DANGAARD:** A lot of the fossicking activity takes place away from water courses. It may also take place during the dry season when there is no water in the river, so the turbidity issue is not relevant. The other truth is that practices we use with metal detectors, small picks, pans, small sluices really does very little to dislodge or disrupt much ground at all. I really struggle to see how that creates a significant issue of turbidity in a stream, which if you stand on the bank of the very same stream after a heavy downpour of rain, you will see that there is a lot of natural turbidity in the river already.

**Mr WHAN:** I think it depends where you are. In the alpine areas obviously there is not.

**Mr DANGAARD:** There may well be some areas that for some good sound environmental reasons you would not want to disrupt anything, however there are many areas where that would not apply.

If I could just pick up on the State conservation areas, these are quite interesting because very often they have been Crown Land of some form or another in the past, whether Crown Land or State forest and then because they retain some mineral potential they have been preserved by the State as State conservation areas in the prospect that at some point in the future minerals could be developed on that block of land.

It is possible for a mining company to take out an exploration lease for example on a State conservation areas, however I as a fossicker am not allowed to go there because of perceived environmental damage on these areas. I think that is a bit wrong. State conservation areas have been treated, in terms of management, as if they are a national park when they in fact are not because of the underlying mineral potential of those areas.

**Ms VOLTZ:** On the maps, this one of Stuart Town, you have small white areas that are fossicking areas. But on this map of Sofala none of that kind of information appears.

**Mr STONE:** The only fossicking areas, there are two, there is the gold panning area and I think there is one on the common, just out of Stuart Town. They are actually gazetted by the Lands Department. The rest of the boundaries there are Crown Land and they are not necessarily fossicking areas.

**Ms VOLTZ:** But with Sofala none of that information appears.

**Mr STONE:** There are not any fossicking areas.

**Ms VOLTZ:** So even though you have got it as a fossicking map, they would have to seek permission of the land owners?

**Mr STONE:** They need a legal expert. Basically it is all done illegally under your current law.

**Ms VOLTZ:** We will not mention that here where it is on record.

**Mr STONE:** No, what I am getting at the Crown Land, you are on a goldfield and I would also point out that a lot land was State recreation areas which you have now named State conservation areas and if you look up, we are doing a map of Ophir and Windeyer and you have got the Eldorado goldfield, which is one of the earliest goldfields, all turned upside down, and there's no fossicking allowed. You have called it a State conservation area. The point I am making, these have taken over mining areas that have already been turned upside down and it is probably a de-facto relationship they are Crown Land, because the land was not any good to open up and sell for agriculture, because that is in fact what happened in Victoria. Anywhere you go in Victoria you see the ironbark bush, it was not prime agricultural land, it is there for its minerals and we have held onto it.

**Ms VOLTZ:** Whereas our State conservation areas usually tend to be areas that are adjoining somewhere else that has got heritage significance, so quite often a conservation area is abutting something else though.

**Mr WHAN:** Or they have particular conservation significance.

**Mr STONE:** They were Crown Land before you re-gazetted them. They just would have been public land.

**Ms VOLTZ:** Yes, that is right.

**The Hon. JAN BARHAM:** Some of them also have heritage value.

**Mr STONE:** Most of them in the goldfields have been mined.

**Mr WHAN:** Or a particular species.

**Mr STONE:** So we are not talking pristine fern gullies.

**Mr DANGAARD:** There are about 110 of these, to my knowledge, across New South Wales, only one of those allows fossicking. It is interest that fossicking may be permitted in a State conservation area but the default position of national parks is to say no. I think that is where it looks patently unreasonable.

**The Hon. PAUL GREEN:** You are virtually saying where there was existing use of mining; why should that be suddenly sterilised?

**Mr STONE:** I am not saying that, you have made that decision, but you have also written off the opportunity for recreational fossicking to take place—you have thrown the baby out with the bath water.

**The Hon. PAUL GREEN:** That is what I am saying. You are saying we are sterilising sites that were previously used for mining and prospecting.

**Mr STONE:** Yes.

**The Hon. PAUL GREEN:** And it just does not make sense.

**Mr STONE:** We are talking about minimum impact, mum and dad and their grandchildren,

swinging a metal detector, not bulldozes and strip mining.

**The Hon. PAUL GREEN:** Yes.

**The Hon. JAN BARHAM:** My understanding of those State conservation areas is that they are governed by a plan of management.

**Mr DANGAARD:** That is correct.

**The Hon. JAN BARHAM:** Have you had any input into those?

**Mr DANGAARD:** We have had input to one plan of management earlier this year. Our association is relatively new; we only started at the end of last year. But we have had written submission to one near Crookwell. We are still waiting on the response to that. That has been about four months ago; that still has not progressed yet. I understand that the Copeland Tops area will be up shortly as well for the review of the plan of management. We are anxious to put forward a submission on that as well because that area is a known old goldfields area and would be quite popular with recreational fossickers.

**The Hon. JAN BARHAM:** Would that not be a good process, to try and go through making that submission and having your case heard, that it is often for a recreational conservation area.

**Mr DANGAARD:** Certainly it is but I think it could also be a reasonable decision to say look, let's have a look at these in one go rather than look at them in dribs and drabs that could stretch over the next 15 years.

**The Hon. JAN BARHAM:** Sure. You are asking for a blanket decision when it might not be that simple, because as the previous speakers raised; sometimes those areas have other values, even if they have been previously mined.

**Mr DANGAARD:** It was a blanket decision to remove the rights at the time.

**The Hon. JAN BARHAM:** What year were the rights available?

**Mr DANGAARD:** You were able to fossick there, for example, if it was a State forest and you have a licence to fossick in a State forest, then you would have been able to go and fossick in those areas.

**The Hon. JAN BARHAM:** But you have not put State forests on here.

**Mr DANGAARD:** No I have not.

**The Hon. JAN BARHAM:** You are saying that that right is no longer available in the State forests?

**Mr DANGAARD:** No, the right is available in the State forest but if a State forest becomes a State conservation area that right is removed.

**The Hon. JAN BARHAM:** Why are State forests not listed on here then, because that means you currently do have a right to go there?

**Mr DANGAARD:** Because we currently do have access to the State forest areas.

**The Hon. JAN BARHAM:** And the forestry districts? I thought you said you had a right there as well?

**Mr DANGAARD:** Well when I say State forest, forestry districts, it is one and the same.

**The Hon. JAN BARHAM:** So the yellow bits—

**Mr DANGAARD:** The yellow bits are fossicking districts.

**The Hon. JAN BARHAM:** Those are State forests?

**Mr DANGAARD:** No, they have got nothing to do with State forest.

**The Hon. JAN BARHAM:** What I am trying to understand is why you did not put on here the areas where you are allowed, which are State forests?

**Mr DANGAARD:** The areas we are allowed to fossick is essentially anywhere that is not green.

**Mr WHAN:** Some of those yellow areas are State forests I would have thought, knowing those areas?

**Mr DANGAARD:** Yes.

**Ms VOLTZ:** So anywhere that is white you can fossick?

**Mr WHAN:** No.

**The Hon. JAN BARHAM:** No.

**Mr DANGAARD:** With permission, because where it is white it is generally private land.

**The Hon. JAN BARHAM:** That was my next point. How many opportunities have been sought over private land to establish legitimate businesses? The way I read your submission, it is a legitimate form of tourism that would be benefited by a private land owner who has a resource on their land developing some accommodation?

**Mr DANGAARD:** Our association would love private landholders to take up that opportunity and I think there is a really opportunity for local councils and various bodies to actually promote that.

**The Hon. JAN BARHAM:** Because like you say, they would probably engage in other aspects of tourism while they were in the area.

**Mr DANGAARD:** Yes.

**The Hon. JAN BARHAM:** So it could be nicely placed for a private enterprise.

**Mr DANGAARD:** I guess the strategy from our point of view is to advance progress on all of these different fronts. Let us do what we can to improve access in the private land area. Let us do what we can to draw back some of those restricted practices and access issues when it comes to State conservation areas and even national parks, especially in some national parks there have been known goldfield and prospecting areas for many, many years but those rights were just taken away.

**CHAIR:** Before we move onto the Hon. Paul Green, Mr Stone you wanted to make a comment?

**Mr STONE:** I just wanted to make a quick point. With the Hill End map, I can check my Crown Land boundary as soon as I hit the locked gates on the adjoining private land. I would see the only place you are going to get access onto private land is more for the gemstones. Where gemstones are on a property and they charge, they may even facilitate by stripping off half a metre to get you down to the gravels and you come in and they provide the sieves and any other necessary equipment. I could see that working and being very commercial. I do not see the gold because in the back of their minds they are worried about you coming back next week to peg a claim.

**Mr DANGAARD:** There are a number of properties in the corner country of New South Wales that do allow pay as you go fossicking and I have been to a couple of those, where you go and

you pay \$10 a day for the right to camp and fossick. I think that is terrific. Most fossickers I know would be willing to do that. But there seems to be a disconnect between our willingness to do that and the availability of that product.

**The Hon. PAUL GREEN:** What other impediments exist for us to take advantage of this whole industry and build it up in New South Wales?

**Mr DANGAARD:** Access is the key one. I will just pass this around; it is some raw gold so you can actually see what we are looking for. There is also a picture of a large nugget.

**The Hon. JAN BARHAM:** Where was it found, on public land or private?

**Mr DANGAARD:** Actually that was found at a collection of different places but some of it I found at Mt Browne out in the corner country.

**Ms VOLTZ:** It is like fishing, you never tell people where you got it from.

**The Hon. PAUL GREEN:** Access; it seems like the baby has been chucked out with the bath water. Do you know what the actual regulation is that needs to be tweaked to get the flow back the other way?

**Mr DANGAARD:** In the case of State conservation areas or national parks with known goldfields and gem fields, that the ability to access those areas is restored. That would be a great boost to the recreational fossickers of New South Wales.

**The Hon. PAUL GREEN:** What is the opposition to you doing that claiming?

**Mr DANGAARD:** That it has such a critical environmental and conservation value that even minor impact, temporary, should not be permitted under any circumstances and I think that is a bit too far.

**The Hon. JAN BARHAM:** It is a national park.

**Mr DANGAARD:** State conservation areas are not national parks.

**The Hon. JAN BARHAM:** You just said national park then, do you mean State conservation area?

**Mr DANGAARD:** And national parks where there may have been previous goldfields. I think the other way that things could be improved a lot is the liability question that I raised earlier on, to make it really clear that if a private land owner gave permission to a fossicker to fossick under the fossicking guidelines of the Mining Act that that land owner would not be held responsible for issues that might arise as a result of that prospecting activity.

**The Hon. PAUL GREEN:** Has your organisation made these recommendations to Government in any formal way?

**Mr DANGAARD:** This Committee is probably our largest foray into that area at this stage. We have made some representations through Mr Robert Brown, but at the same time I realise that it is a complex area and it will take a long time for us, I think, to achieve all the goals that we would like.

**The Hon. PAUL GREEN:** I just acknowledge the Hon. Robert Brown is in the gallery.

**Ms VOLTZ:** Making sure you do not give away his fishing spots.

**The Hon. ROBERT BROWN:** Absolutely.

**CHAIR:** When you were talking about State forests you made the comment that the natural default position was not to allow you to fossick.

**Mr DANGAARD:** In State conservation areas.

**CHAIR:** But they can opt to allow you?

**Mr DANGAARD:** Fossicking is allowed under the plan of management. The way I have read the legislation, it is allowed if it is allowed.

**The Hon. JAN BARHAM:** That is right.

**Mr DANGAARD:** Whereas in a national park under the law it may not be allowed under any circumstances unless that law was modified.

**CHAIR:** You are not having any challenges with areas that are marked conservation; they are not ejecting you from those areas or are they?

**Mr DANGAARD:** Well at the moment there is a default that you may not fossick in a State conservation area, that is the default position. There is one, Torrington up in northern New South Wales which I understand is a gemstone fossicking area, where that permission is in the plan of management. We would like to get that permission into the plans of management for all of the State conservation areas. However, we could be still here in 20 or 30 years' time if we have to wait for every five year review. For the sake of restoring what I call an unreasonable step in the past, I think it would be reasonable to look at State conservation areas in total and to make a decision to open those again to fossicking, which is recreational, it is low environmental impact activity and actually would be good for the tourism economy of regional New South Wales.

**CHAIR:** Mr Stone, you wanted to comment?

**Mr STONE:** Just a comment on how we could improve access. In Marble Bar in Western Australia the actual council has taken an exploration licence out surrounding the town so the big boys are kept out and the tourists can come in with their Winnebago. So it is just a thought.

What has happened in Victoria, councils, the Loddon Council, Ballarat, they have all come on side and see what recreational fossicking is doing, that it is getting people to stay longer in their towns. Thirty years ago we had our Sovereign Hills built environment and we preserved that through heritage architects in Malvern, but they have not made the connection between the Crown Land surrounding that has got the real mining relics. It is just as if the diggers left it 160 years ago.

You have got the cradle of gold in this State. Hargraves found that Bathurst, Orange, Mudgee should be far ahead of Ballarat and Bendigo with what you could do with it. I have trouble getting my maps into the Orange Tourist Information Centre. They say that is not relevant. Stuart Town is only 60 kilometres up the road. I go to Bathurst and visit Wendy and she just ordered my maps; totally different. A lot of your Tourist Information Centres are not very commercial.

I am not out there getting handouts from government. I have got a business and I have got to work out whether I spend time in New South Wales in the next 18 months—I am getting older—or work on an atlas of the Northern Territory. I have got to work out the economics of it. But I am doing it de-facto in a way because I know in a way I am encouraging people to break the law, but it is a crazy law.

**CHAIR:** Just on your membership. I think I read that you have got 600 members in New South Wales registered.

**Mr DANGAARD:** Five hundred.

**CHAIR:** How does that compare with other States like Victoria and Western Australia where it is actively encouraged and promoted?

**Mr DANGAARD:** Well Western Australian association has been in existence since about 1904. They would have 1,500 to 2,000 members. The Victorians would have around about 1,200 to 1,500 members. The Northern Territory has more than we do. All of those have been at it longer than

we have however.

**CHAIR:** Do you have a breakdown or would you be able to get information on the revenue that it creates within tourism in other States?

**Mr DANGAARD:** I have an estimate based on figures that the Western Australian association put together and this takes into account the gold recovered by fossickers, the expenditure they put into getting to where they go to and so forth. They estimated in Western Australia that recreational prospectors contributed over \$350 million per annum into the economy, through recreational prospecting and metal detecting alone. It is a lot. I am able to table a further document from that if you wish, including a small spread sheet which gives a breakdown as to the numbers.

**CHAIR:** That would be great.

**Mr DANGAARD:** It would be wonderful to have a proper economic study of the value of this to New South Wales however, fossickers are notoriously independent. It would be very hard to pin them down. It is a difficult exercise but it would actually be worthwhile.

**CHAIR:** It is probably fair to say that based on the fact that you have got what you consider challenges in this State, that if those were removed then you too would probably move up to the 1,500 mark in registered members?

**Mr DANGAARD:** I am extremely confident that we will have more than 1,000 members by this time next year because there is a lot of interest from the fossicking public in what we are doing. Just because we have come into being of late does not mean to say there has not been a latent interest there. There have been some attempts in past decades to try and form an association such as we have; those have come to nought. However, hopefully this time we have enough impetus to go forward and particularly if we could make these changes that we have been talking about. I think it would be a tremendous sign for the fossickers of New South Wales that Government is actually listening to their reasonable needs when it comes to access for their sport, hobby and lifestyle; call it what you wish.

**Mr STONE:** Can I make a point with the baby boomers. I am a baby boomer, a forty-eight, and we are just starting. They have got the new land cruiser, big caravan, fishing rod. They have also got their coin hunting metal detector, their \$6,000 metal detector which is designed—I do not know about made in Australia but a very successful company—and they are looking for something to do; where to park that thing, where to take their grandchildren.

Recently I attended a Gold Muster at Lake Burrendong, they had a gold prospecting weekend which Stephen also attended and we had people from Sydney that had no idea of fossicking. They thought we will come and listen to the talks and see what this entails. Their setups, they have got to be \$120,000 or \$130,000. It is \$80,000 just for the Toyota, let alone the \$50,000 caravan. If they have got a \$20,000 one this year, next time they will have the \$50,000 model, because they have talked to all their mates. We are on the cusp of something big. A lot of them have got companion pets; they cannot go to a National Park. I came through Kosciuszko National Park a few weeks ago and I was stopped, I had two dogs in the back we take. I was going to Corryong. They said you have got to turn back. I said I am not turning back, this is a public road. This was here before your National Park. I am not being a red neck, but after a lot of backwards and forwards they said yes, as long as you do not stop; that is fine. I was thinking of bringing a book out of where you can go in Australia.

**Mr WHAN:** I am not sure if that road was there before the National Park. It might have been the Snowy Road.

**Mr STONE:** But these are issues. People are looking for places where they can camp with their pets. If you go to a caravan park anywhere, they have got their Winnebago but they have also got a little chatty dog. I am not advocating dogs in National Parks.

**The Hon. JAN BARHAM:** We had that one this morning.

**Ms VOLTZ:** There are differing views.

**Mr DANGAARD:** Mr Green, you asked if there are other things that could be done as well or impediments. I suppose some streamlining of the State forest permits could also be achieved at little cost. At the moment there is a rather disjointed system where depending which office of the State forest you ask, you will get a permit for a particular forest or you get a permit for the whole State. I think it should be like a fishing licence, if you get one licence it should be for the whole State. This idea of having to have a licence for individual State forests is ridiculous. They are \$22 each for a start. I think that has got to be sorted out.

**Mr WHAN:** You have to go in and specifically apply for each area that you are going to?

**Mr DANGAARD:** Yes.

**Mr WHAN:** Who do you apply to?

**Mr DANGAARD:** You need to apply to the local office of the State forests and if they ask you where do you want it for and I want it for every forest in New South Wales, sometimes you may get every forest in New South Wales, however, I have feedback from members that they have also only been given the State forest that specifically they wanted to go to. I think probably the communication channels and the consistency and the application of those rules needs to be improved.

**CHAIR:** Unfortunately time has expired for questions for this afternoon. Any questions you have taken on notice, you have 21 days to respond to but on behalf of the Committee I thank you very much for appearing this afternoon.

**(The witnesses withdrew)**

**MR ROBERT HENKE**, Honorary Secretary, Backpacker Operators Association,

**MR NATHAN FOLKES**, Member, Backpacker Operators Association, Owner Mojo Surf, and

**MR JULIAN LEDGER**, Chief Executive Officer, Youth Hostel Association, affirmed and examined:

**CHAIR:** Before we commence with questions, would any of you like to make an opening statement?

**Mr LEDGER:** Thank you for inviting us and for the Committee's interest in the development of tourism in regional communities in New South Wales. The Youth Hostel Association (YHA) will be 75 years old next year and our guests are made up of individuals, families and groups like school groups. YHA is a youth tourism operator and most of our guests are aged under 30.

International visitors make up two thirds of our hostels usage. In New South Wales 35 per cent of international visitors are youth, and youth we define as aged 15 to 29. About a third are youth and 60 per cent of all international visitor nights are youth. Youth visitors include backpackers and international students, people visiting friends and relatives and the like.

Youth stay longer, they travel further and they disperse more widely and so are particularly important for regional tourism. They may not want to spend too much on accommodation but they will spend on adventure and other activities, travel and tours, food and entertainment.

If we look specifically at backpackers and the definition used by the Australian Bureau of Statistics requires someone to have stayed at least one night in a hostel, so it is a pretty broad definition, of the 571,000 backpackers visiting Australia in year ending March 2013, 76 per cent visited New South Wales and that is because Sydney is the main port of arrival and they spent 29 per cent of their nights in Australia in New South Wales; so almost 30 per cent. We compete with Queensland, who has just overtaken us again; they have a slightly bigger share.

The average length of stay of backpackers in Australia is 82 nights, which is much longer than other international tourists and they contributed in the same period \$3.25 billion to the national economy.

Traditionally from Europe and North America, we are now seeing strong growth from Asia and the big four are Japan, South Korea, Taiwan and China. They are not just interested in shopping and spending time in the city, they do want to experience Australian landscapes, the size of the country, the regional lifestyle and the flora and especially the fauna.

**Mr HENKE:** I would like to make a brief statement as well on behalf of the Backpackers Operators Association and I hope that the information provided today assists in the improvement of the legislative framework to tackle the longstanding and growing issue of illegal backpacker student and boarding house accommodation.

It is estimated that around 7,000 people live in unlicensed boarding houses in New South Wales. There is a lack of information about the sector making it difficult for local councils to monitor and enforce any standards that do apply.

Many electorates have seen increased illegal accommodation over the past decades. The associated issues of overcrowding, health and hygiene and insufficient fire safety have a detrimental effect for those living close to these premises, but also to our industry.

Most accommodation of this nature is advertised on lamp posts with a mobile phone number and no address or via online advertisements, such as Gumtree, making it difficult to establish who the operators are.

In most instances illegal operators will purchase large homes or apartments within residential buildings, partition the bedrooms in living areas, creating an increasingly over crowded sleeping environment.

Most of these lodgers will pay cash to the operator and the operator will most likely not declare or pay the tax on this income.

In 2010 Victor Dominello, member for Ryde, and currently Minister for Citizenship and Communities and Minister for Aboriginal Affairs, proposed an environmental planning and assessment amendment to the Boarding House Bill 2012. This Bill recognised the issues relating to illegal accommodation, particularly boarding houses and proposed amendments to legislation. Very recently the Boarding House Bill was passed, actually on 5 July, so after I wrote my letter to you, and it brought some improvements that the Backpacker Operators Association particular applauds.

Some of these are changes in the penalty level and the establishment of a New South Wales boarding house register. This allows concerned third parties to easily check if a particular property was legitimately registered as a boarding house and facilitate a better self-regulated system, but—and here comes the but—the Bill authorises enforcement officers to enter and inspect authorised premises. What it does not do is allow the inspection of suspected unauthorised premises without a warrant.

Improvements in powers for local councils, police and fire brigades to access and prosecute illegal boarding houses or backpacker hostels are needed. As such it is important that the powers of entry by authorised officers need to be extended to unauthorised premises.

**CHAIR:** Do you have a statement you would like to make?

**Mr FOLKES:** I do. I had an accompanying page. Can I hand those around?

**CHAIR:** Yes, that is fine. If you are repeating what is already in that, we can just table it. Otherwise, if it is additional information, feel free to speak to it.

**Mr FOLKES:** It is probably just a slight extension on the key points that I will be guiding through. It is mainly the blue one, the activity of experienced operators.

I am the founder and the managing director for Mojo Surf. My name is Nathan Folkes and I thank you for this opportunity to be here today and voice our concern in relation to some of the policies that are guiding our industry.

If you look at the document and the key points there, we are an industry. We operate in the learn to surf industry. We have been working over the last 15 years to develop that industry and we have experienced significant growth in that industry. We create jobs and careers. I will get more to that.

We support education, tourism and New South Wales. We definitely compete with the world, surfing and activities are definitely on the world platform and they are the basis for young people to travel the world to experience awesome things on their adventures. We disperse spending into regional New South Wales. We need supportive policies to help us plan, invest and grow.

A little profile about Mojo Surf is on the next page. Mojo Surf started operating in 1998 with two staff, myself and a friend and about \$10,000 that we both put in to start a business of teaching people how to surf along the east coast of Australia. Mojo Surf is still owned operated. We teach people from the world over. We teach them how to be safe in the ocean. We also teach them how to surf. They come here for not just the surf but to experience the world over and also to experience the lifestyle of surfing and that healthy kind of benefits that it gives.

Ninety five per cent or 20,833 of our clients are university students, young travellers and backpackers from overseas. We employ 60 to 80 people seasonally adjusted in regional areas of New South Wales. We started off with two. The regions that we are in are quite small regions really.

We would spend over \$1.8 million in wages for 2013 and 2014. Our total spend in these areas is \$4.1 million for this year coming. We have tirelessly worked to achieve our vision and by this we have built an industry, a business and created many jobs. We are passionate about what we do and who we are. We have an international sales and marketing team and travel the world promoting

Australia, New South Wales and surfing. We invest in regional and rural New South Wales.

We need supportive operational policy to help us grow. Our greatest threat is not the sharks in the sea, but the policy we operate under that determines our business future and the future of the industry. There are many companies just like us waiting to grow with pro-active supportive policy.

I do have some recommendations there which can be tabled and I also have a letter from the peak governing body for surfing in Australia and that is from Surfing Australia that could be tabled as well. I have an example of two letters that I have received from a couple of councils, and they are just examples because we can only work under what information councils have at the time or about industries, but they are examples of how local policy is going to really impact on our ability to grow, build jobs, build careers and sustain our business and the businesses of other activity operators in our industry.

**CHAIR:** Thank you very much. We will now commence with questions starting with the Hon. Lynda Voltz.

**Ms VOLTZ:** I will go to the surfing issue first. Obviously it is up to councils who have control of the beaches about opening those up for tender and leasing them out. I note that your recommendations are that you should be able to apply for more than one licence in a specific area. Is not at the end of the day the council's responsibility to manage those pieces of land?

**Mr FOLKES:** It is and I agree with you there but it is the changing policy that undermines our ability to plan for the future. In the last policy and the one I am referring to there is Ballina Council, one operator could have two licences. So we planned over a three year period to grow our business in that region. Now with that changing of the policy, there is still the same amount of licences, the same amount of people that will be on the beaches, but now with that slight change of policy, we cannot actually realise our goals, if that gets pushed through. It is a challenge to our business. That is in the Ballina shire.

**Ms VOLTZ:** That is kind of the nature of leases on what is essentially publicly owned lands, is it not?

**Mr FOLKES:** It is the nature but I think what is happening here is it is recognising what is the nature of the last six or seven years as councils develop their coastal management policies going above and beyond their previous licensing agreements and it is actually just supporting industry. There has to be regulations, there has to be accountability, I totally agree with that but we may have a bigger vision than the next person who may be quite happy to just operate under one licence and we support that. We do not want to monopoly. We have supported other operators who have been in deep water when they have lost their licences. That has been on two occasions that we have supported other operators to try and continue to build the industry.

We have had benefits out of the tender process but they are bittersweet benefits because to win sometimes you have to see somebody else necessarily suffer, so it is probably not the best platform to be developing an industry from.

**Ms VOLTZ:** I just want to go to the issue of boarding houses, away from surfing. You are talking about the Parliamentary Inquiry into boarding houses, which was essentially around university students and the use of accommodation as opposed to backpacker accommodation. There is a trend though however, is there not, and I noticed this recently when I was up in Tarro near Maitland where there is a large chicken factory and people are coming in on working visas and houses in what is nowhere near a tourism area being stripped and 20 or 30 people are going into a house. People are being rolled through industries on working visas in that context. From a backpacking point of view, that is possibly where you are getting an impact on your industry.

**Mr HENKE:** Firstly, you are right the investigations in Ryde were focused on the international students. When we are talking illegal accommodation, it is really not black and white. It can be used by long term students, it can also be used by backpackers who are in the country for a longer period of time and on a working holiday visa, need to stay somewhere for a longer period of time. Because it operates in a grey area, I do not think there is a very clear distinction of target

markets. Anyone really who needs accommodation longer than just a couple of days is included.

**Ms VOLTZ:** My concern is when you have a city like Sydney where it is one of the most expensive cities in terms of housing, and if you go back to say the eighties and nineties where there were lots of inner city boarding houses that were basically low cost accommodation, a lot of those were turned into backpacking accommodation and people were pushed out of then what was essentially low cost accommodation.

Now the structure of backpacking, which has been good for industries like the fruit and vegetable industry where bringing backpackers in has fulfilled a shortage, you are now seeing large industries actually rolling through a number of backpackers rather than employing local staff in areas well off the tourism track, particularly which surprised me, from the Asian market.

**Mr LEDGER:** I think you are covering two things there. The first one is it is true that in the late eighties boarding houses in Sydney were converted to tourist accommodation without local government approval. That was unfortunate. Over time I think finally local government in Sydney got on top of that and it is not happening anymore. The way forward is for development applications to be made by tourism operators and for facilities to be set up for tourists.

Secondly, the working holiday scheme has grown and working holidaymakers come from around the world and have rights to work here for an employer for up to six months. The prime purpose of the visa is cultural education. It is not a jobs visa as such. It is a reciprocal program. Young Australians can go and work in 21 countries around the world as a consequence of these reciprocal agreements. There are places in the world like Whistler or Earls Court which would ground to a halt if there were not the young Australians keeping them going.

I think it is up to employers which employees they take on. Mostly working holidaymakers are last resort because they can only work for a limited period.

**Ms VOLTZ:** In this instance I do not think that is true. What I think is the problem is there are a number of different issues here. International students which of course are another very important part of our economy, it is part of the service economy that Australia does particularly well, go to our major universities, our major universities have an inability to expand student accommodation, that is part of the pressure of land in particularly the Sydney region. You then have the problem where—I am glad they have stopped boarding houses overturning, but backpacker accommodation essentially pushed out a lot of inner city low cost housing.

Now you are finding also these problems with working holiday visas, which we all expect they would be going to Queensland and they will be doing the backpacker route where they will do a bit of fruit picking and then they will go and do whatever, whereas what I tend to worry about is that they may be being actually rolled through industries within Sydney and the Sydney outer lying regions where there is major industries.

Then they are not going into backpacker accommodation, which is where you guys come in, because obviously you have got to market where you are selling the product to people and they are actually going into residential housing. This residential housing is being bought by the companies that are employee agents and they provide the employment to the factories.

**Mr HENKE:** And they are also not safe and overcrowded. When we talk about the point that it is not fair competition, we need to, and we do, adhere to all types of legislation. It is not that cheap to run a legal property and obviously this illegal accommodation does not.

**Mr WHAN:** Who do you think should have the power of entry to unauthorised premises, is it just the police or the fire brigade as well? There would be some powers there already, would there not?

**Mr HENKE:** The problem is currently we are talking unauthorised accommodation; the owner needs to get permission. If you do not get permission you have got to go away and you have got to get a warrant.

**The Hon. JAN BARHAM:** They need notification.

**Mr WHAN:** If someone suspects that accommodation is being used illegally, the police have to get a warrant to go in, do they?

**Ms VOLTZ:** Council.

**The Hon. JAN BARHAM:** Council have to give notice, I think it is at least 14 days' notice, which usually means that they pack up and leave.

**Mr HENKE:** What do you reckon happens within those 14 days? The separating walls are taken away.

**The Hon. JAN BARHAM:** Bunks taken out.

**Mr LEDGER:** If you were the former mayor of Byron Bay for example, you would have some knowledge.

**Ms VOLTZ:** Let us see if we can find an example of that.

**The Hon. JAN BARHAM:** A few have been done, but it is very difficult.

**Mr HENKE:** Very, very difficult. Let us not forget, people who live in the local area, they have to live with that every day. It gives our industry a bad name. We have a button on our website where they can do in illegal accommodation so they can stay anonymous.

**Mr WHAN:** What powers do the police need to be able to more quickly deal with this?

**Mr HENKE:** Well first of all the 14 days would help and I would say if, particularly the fire brigade inspected these unsafe situations, it should be really, really fast.

**Mr LEDGER:** In the time of Sandra Nori as Tourism Minister there was a committee convened which was made up of the local government, police, fire brigade, health, which did a lot of work on this topic and eventually got bogged down I think with conflicting agendas. There has been a lot of work done. At the moment I think the fire brigade have the greatest powers.

**Mr WHAN:** I thought they had some.

**Mr LEDGER:** The councils generally need more power. It is just very easy for a persistent operator to sit it out, hope that the council is perhaps lacking resources, gets distracted by other problems, go quiet for a couple of weeks and then the business just carries on and carries on.

**CHAIR:** Just following on from that, you indicated that people could tag on your website where they suspected illegal activity. Do you have a breakdown by council regions where there are more likely hotspots? You can take it on notice if you are not sure.

**Mr HENKE:** I will take that on notice. I can give you that information. It goes up and down with the strength of the rental market in Sydney. Right now it is very strong, so the problem diminishes a bit. I have no idea where those people are staying now; but the problem diminishes a bit and as soon as there is a bit more room in the rental market, it flares up again.

**CHAIR:** I am more interested in regional areas and coastal communities, not so much Sydney with boarding houses but where they are actually for the tourists as opposed to working style visas.

**Mr WHAN:** Can I go back to a fairly broad question. You talked earlier on about where the backpackers are coming from to Australia and the Asian market is developing. What are the growth markets for backpacker-style activities? What activities are they looking for to attract them here?

**Mr LEDGER:** The Youth Hostel Association's website is in Japanese, Korean and Chinese;

so that is a start. There is not necessarily a cultural tradition of this type of budget travel and budget accommodation in these cultures.

**Mr WHAN:** It is quite a new thing for them.

**Mr LEDGER:** But personally I went to China in 2000, did some training and wondered if anything was going to happen. I went back this year and now there are 300 properties and it is very, very popular. It would be a misconception to think that all Chinese coming to Australia want to spend time in casinos in shopping. It is a much more complex and diverse range of people than that. We have seen the numbers in our properties.

**Mr WHAN:** I think what we have been told is the market is starting to mature there, so you get more independent travellers coming.

**Mr LEDGER:** There is a high desire to be independent. The young people are like Gen Y anywhere else, they do not want to be packaged up. They do not want to pay 30 per cent commission to an inbound tour operator and they are just keen to travel and see the place.

I think that will raise issues to do with safety on the roads, safety in the surf; they have not necessarily got the knowledge and the experience to do these things, so it will be a process.

**Mr WHAN:** I can tell you a story about that. Going to the old Olympic pool in Beijing you have to have a deep water licence to go into that part of the pool; most frustrating for those of us who can swim.

Are they coming to look at the surf? I think the picture of Chinese tourists often is they do not go all that far from the major centres when they are on the organised trips but for the backpacker and the Gen Y, are they going further afield? Are they looking for a work experience? What sort of experience are they looking for?

**Mr LEDGER:** At the moment the Japanese, the Koreans, the Taiwanese and Hong Kong are entitled to working holiday visas so they are staying longer. Those markets are more mature also. I am married to a Japanese working holidaymaker who came here in 1985, so this is not new. They have been coming for a long time. The Chinese mainland does not have that access to the working visas, so they will only be here on short term tourist visas or as students. A lot of the student market brings siblings visiting, parents coming down, people investing in real estate, looking at business opportunities, so a lot of things hang off the students.

So far we have not been particularly successful in getting the students to travel, but I think that is changing. Now there is a big opportunity there in the crossover. In the visitor economy task force a couple of years ago we looked at students and international tourism in one group.

**Mr WHAN:** On the student visas, are they too restrictive in the time they can stay after finishing studying to actually do more tourist activities or even working for a while in one of our tourist establishments speaking Chinese and English?

**Mr LEDGER:** I probably should take that on notice, I am not that familiar with the student visas.

**Mr HENKE:** I cannot answer that.

**Mr FOLKES:** With the activities, and Jan would agree as well, Byron Bay is a magnifying glass because everything is brought into a real close proximity of who is doing what. The sea kayaking, the surfing, the lighthouse walks, people get up in the morning, they want to smell, see, taste and experience things to do. As long as the weather supports that, everything else happens around it.

**Mr WHAN:** We cannot do much about that.

**The Hon. JAN BARHAM:** That is why we have got yoga; when the weather is not working,

or zumba.

**Mr FOLKES:** We get a lot of international university students that we tap into out of Brisbane and we actually bring them to either Byron Bay or down to the Coffs coast. We have a camp there where we do activities and cater for their accommodation and meals. So we see a broad array of clients coming. We are seeing more Koreans and Taiwanese also coming into that area for the fruit picking. There is blueberry picking there, so we are seeing them enter into that area.

There are some challenges there with their skills around the ocean, so we try to always educate them first on the ocean and stuff like that before they get let loose. We have seen a high level of inquiry, we do snow tours as well, and we have seen clients just coming to Australia specifically to do a weekend snow trip out of Sydney to Perisher. The first trip we had this year, we had a family of eight Vietnamese who found us on the website and travelled to Australia specifically for that reason; which was quite bizarre but good at the same time.

**Ms VOLTZ:** It is a beautiful part of the world.

**Mr FOLKES:** They are looking for soft adventure or hard adventure.

**The Hon. PAUL GREEN:** You said that the initial evidence is they are not spending much on travel, the backpackers or those that are coming over on working visas.

**Mr WHAN:** The students it was.

**The Hon. PAUL GREEN:** The students, you said they did not seem to be moving into travelling.

**Mr WHAN:** Chinese students.

**The Hon. PAUL GREEN:** Have we got any data quantifying if they are spending at all or are they just hoarding their money and then going back home after six months?

**Mr LEDGER:** You might have missed my introductory remarks.

**The Hon. PAUL GREEN:** I did I am sorry, I was out of the room.

**Mr LEDGER:** The backpacker market is worth about \$3.75 billion and that is because there is 570,000 of them coming in and they are staying an average of 82 nights. We would say they do not have a priority to stay in four or five star hotels obviously but they do want to spend money on activities like Nathan's. It is just a question of priorities and when you are young, they are different from when you are old and very much activity based.

**Mr HENKE:** If I can just add to that, traditionally the education market saw itself as quite separate from the tourism market and we really did not work together very well. In my humble opinion that was on the side of the education market, they just were not interested. It was booming and booming and booming. Now that there is more competition from particular countries like Canada, I think there is realisation both in the education market and in the tourism market that we need to work together to offer the total product of Australia. Do not come here just to study, but use that to travel as well. But I would say there is still more work that needs to be done in that area, because a lot of them indeed just come and study here. We would like to see them travel more on the weekends or in between terms. That opportunity needs to be worked on.

**The Hon. PAUL GREEN:** The council I was at, we had international students that would come and just do about a month but they always seemed to have one major tour in them, either at the beginning of their stay or at the end and it would be Brisbane, Melbourne or something outside New South Wales sadly. They are coming here to work and so it is very interesting to see that. That was just international work experience from major organisations across the globe. They were German students.

**Mr LEDGER:** The student market can be segmented into a whole bunch of slices. There are

the ones doing serious tertiary study, there are the ones doing learn to surf and English up in Byron.

**The Hon. JAN BARHAM:** And yoga.

**Mr LEDGER:** And yoga, which is popular.

**Mr FOLKES:** There is a very big school there.

**The Hon. JAN BARHAM:** And cooking.

**The Hon. PAUL GREEN:** And Gerroa, there is a very big school down there.

**Mr LEDGER:** Everything in between. We have the benefit of being a native English speaking country and we have the benefit of being in more or less the same time zones as the biggest chunk of the world's population so in theory we are very well placed to expand this, as long as we can manage it well and do it properly.

**The Hon. PAUL GREEN:** You say expand, so what sorts of things could we be doing better to expand it?

**Mr LEDGER:** In the context of this Committee the big opportunity is to encourage more to go beyond the city because the city is a bit of a honey pot, it offers many things and it is very easy for people not to go beyond the city. This place called New South Wales has no profile, nobody has any idea what it means or where it is, so it really has to be city and beyond, beyond city.

**The Hon. JAN BARHAM:** The Byron state.

**Mr LEDGER:** And come up with the attractions. There is no doubt they do not only come here to see the beach, they come here for the sorts of things they can do here and they come here to see the things that are unique about Australia like the flora, the fauna and the landscapes that I mentioned before.

**The Hon. PAUL GREEN:** Kangaroos and wildlife.

**The Hon. JAN BARHAM:** The indigenous culture.

**Mr LEDGER:** It sounds very clichéd but the fact is that we have—

**The Hon. PAUL GREEN:** Got to focus on our strengths.

**Mr LEDGER:** We do.

**The Hon. PAUL GREEN:** That is a very good point. Even down in the Shoalhaven where we have really good tourism numbers, you go global and you are absolutely right, no one knows anything about Jervis Bay or anything like that, they just know Sydney. We were talking about Sydney being the gateway to New South Wales and Australia. Do you have a view about a second airport?

**Mr LEDGER:** It is well overdue and it needs to be built at Badgerys Creek and it is a disgrace that both political parties are walking away from it, but hopefully there is an opportunity.

**The Hon. JAN BARHAM:** There is no grey in that response is there?

**The Hon. PAUL GREEN:** No grey whatsoever.

**Mr FOLKES:** We definitely target our international students for short breaks and our market is broken down into probably three segments. They mostly do weekend experiences. They do have activities co-ordinators normally who are in the language school at the university or whatever it might be. They normally help co-ordinate the stay of the student while they are there. They are definitely travelling but they are doing short break kind of stuff.

If there was some kind of investment into an ideal, like you were saying, pre or post and getting that out there to make sure that you do one big trip while you are here; then that would work. The working holiday visa holders are definitely travelling and they are travelling slowly and doing a lot of the country. Then we have a slightly different market again for the snow. It is domestic crossed with short break and students. It is all mixed up. You are definitely right, it is all sliced up, so you have actually got to have a strategy for each segment of the market.

**The Hon. JAN BARHAM:** We have seen, as you know, in Bryon that there is not really that separation, they have meshed together where you have got the surfing, the culture, the environment, the indigenous and the English language schools that started about 10 years ago, that is huge now and there is a lot of overlap. Is part of the problem that we look too narrowly at what tourism is and who the market is rather than allowing that broad expansion?

**Mr LEDGER:** I certainly think with the language school you are referring to, which used to be a bit of an unfortunately run backpacker hostel and then evolved into a very good language school, if somebody can make it work there, why would it not work in lots of other places. There is no need to study English in an office building in Sydney.

**The Hon. JAN BARHAM:** An outback experience I imagine would be a fabulous thing.

**Mr LEDGER:** Yes, I think there is a lot of opportunity there. We just enjoy taking people away from what they are familiar with. These children have only ever lived in very big cities, probably only ever lived in apartments, in high rise buildings. This is why the Red Centre is so popular, because it is so completely different and what might be the norm for us is of course a rich tourist experience for them.

**The Hon. JAN BARHAM:** The other point you touched on, and it has been the case since the early nineties research that if you take out the accommodation expense, the per day spend on activities and the like is huge with the backpackers. Do you have a current figure for that?

**Mr LEDGER:** The average working holidaymaker is spending about \$6,000 while they are here. I think the other thing is that unlike some kinds of tourism which are very vertically integrated and the money does not really go far or even goes back to the overseas investor, at least with the young ones it does get spread very broadly around. Nathan is buying his inputs to his business on the Coffs coast and employing people locally, so that should be a good thing.

**The Hon. JAN BARHAM:** I am interested that you raised the issue of visa extension to regional hospitality jobs. I have some particular concerns. I can see where it might be a good idea in some areas but in areas where there is already high unemployment and a reliance on tourism being the saving opportunity, how do you see that disconnect? This is where we know that tourism can also become a bit of a blight if you are not careful, if there is not a return for the host community.

**Mr LEDGER:** The situation is that the working holiday visa is open to 21 countries. It is a one year visa and the visa gives them rights to work for up to six months with one employer. If you do three months' work in a regional area in a designated industry, then you are entitled to apply for a second year. The designated industries were farming and harvesting, then it was extended to construction. The tourism industry has been suggesting through the Australian Tourism Export Council and Tourism and Transport Forum would it not be a great idea if regional hospitality was added because there are areas which struggle very badly to fill regional hospitality entry level jobs, housekeeping, bartending, groundsman type jobs. This has been particularly acute during the mining boom where mining has sucked up all these people and left restaurants unable to open on a Sunday and all that sort of thing.

I think, to answer your question, this could be done where the regions are designated. If outback roadhouses struggle to get staff, which they do, not enough Australians want to go and do that kind of work, then you would designate those. But if the Northern Rivers has a youth unemployment problem, which it does, then you would not allow that.

**The Hon. JAN BARHAM:** I am just interested in that qualification because I could see the

pros and the cons on that one. Thank you for raising the issue about the unlawful and unregulated sector because a lot of people think it therefore must be good because it is providing accommodation, but not understanding the competition issue.

There was the legislation in 2002 for the illegal hostels. That still does provide that opportunity for the fire brigades to enter, but it is tricky because a smart operator will then have a counter position. But it can be done. We have seen it done in Bryon where we have had numerous problems. It is certainly worth looking at again to strengthen it, so thank you for bringing that up. You are going to make that information available.

I have got a query broadly about young travellers, particularly the dreaded Wicked van and then every other one that has jumped on that Juicy, Brit travellers, and all of those, do you have much interaction with them or have much idea of how they can be encouraged to behave better?

**Mr LEDGER:** This is campervans which are purchased or hired and which are generally without facilities. So they do not have a shower or toilet on board.

**The Hon. JAN BARHAM:** We know that they are causing problems.

**Mr LEDGER:** The problem has been that some young people rent them or buy them with an expectation that they will never have to contribute to any accommodation again while they have got the vehicle. Then there is an expectation of not having to pay fees. It affects us because they come in and borrow our showers and use our washing machines and jump in our pool.

I have sat with the campervan companies, we had a series of meetings but we have not reached a resolution. My personal view is that they would do well to develop an industry code of practice about the information that they give their customers and if that is not successful, then the way to go would be to increase regulation, because it is not just in the northern rivers, this is a problem around the coast of Australia really. There is a group called the Campervan & Motorhome Club of Australia

**The Hon. JAN BARHAM:** We had them in this morning but they are predominantly dealing with the grey nomad mob. They do not have that younger demographic as part of their membership who are out there.

**Mr LEDGER:** They convened the meeting I was referring to because the younger campervans are giving their sector a bad reputation. They have been active in getting regional shires to be welcoming of them, especially west of the divide. They might have talked to you about that. But as you say, they are such a different group from the younger ones in the vans without facilities that it is really two separate worlds.

**CHAIR:** Following on from that, you said that they come in to use your facilities, obviously parking illegally. What is done to prevent it and take action?

**Mr LEDGER:** I will give you an example. I was in Airlie Beach on the Queensland coast and walked around early one Saturday morning and counted 35 vehicles in residential streets with steamed up windows. So these are people pulling over. In Airlie in particular the caravan park had closed so there was a bit of an excuse. The council would be employing someone to knock on windows and ask people to move on. They might say they had only arrived late at night and it was too difficult; they did not know where to go. There is a line which can be run.

In the end, I think the experiences people are having who are doing this is not that smart. They are in a van with one or two other people, it is cramped, it is not very pleasant, especially if the weather is bad, for the sake of \$20 in a caravan park, why would you not? You had enough money to come around the world to visit here in the first place, so my personal view is that it is just an education issue. There will always be the very bottom, which might be a problem but most people I think would understand that it is better to go into somewhere with facilities and not just pull over on the side of the road.

**CHAIR:** Is there enough signage? Is council actually putting out enough signage to say you

cannot park here and then put out the infringement notice, so you are actually sending a very strong message of this is not accepted? It is cheaper to pay the \$20.

**Mr HENKE:** You really need to move them on and preferably at 6 am and do that consistently. The problem with signage is, it leads to a fine, and guess what—they do not pay the fine, they go home.

**CHAIR:** Is that not similar to rental cars, that if you do not pay your fine, then the rental car just puts it on your credit card?

**Mr HENKE:** No, the rental car industry you have to give them your credit card and they will put it on your credit card, whereas if you buy a vehicle, many of them actually buy the vehicle for the duration, there is no way to actually collect the fine.

**Mr WHAN:** There is a swap area at Bondi where they come in and they buy them and at the end of the trip they come back and sell it onto the next person.

**The Hon. JAN BARHAM:** It is quite clever in other countries, when you get to the airport you cannot leave the country if you have got those outstanding fines. We do not do that. If we want to talk about reciprocal behaviour, then that is a good thing that we could introduce to strengthen what goes on.

**Mr HENKE:** As you can probably hear by my accent, I am originally from the Netherlands. In Amsterdam we had the same problem where people parked in front of beautiful canal houses, a very nice environment to be. They changed the legislation so that you could clamp these vehicles and they would not take the clamp off unless you paid \$250. That solved it very quickly.

**The Hon. JAN BARHAM:** It is difficult and it might be again where we probably need to be talking closely to the Minister for Local Government about some of these issues, because they are complex when it comes to changing legislation.

You talk about the number of organisations, the number of beds or maximum occupants in your member premises and whether or not there is clarity about an occupancy rate and level that is in the industry. I am particularly interested if you have noticed any trend in reduction in that that might have come from the competition with the unlawful sector.

The idea of a GPS technology to deliver a user pays system, I have not heard of that before. Who knows about that? Is that yours Julian, the New Zealand model?

**Mr LEDGER:** We have got over 800 national parks in New South Wales, with a rapid expansion of the Bob Car era, only a small handful of them charge a fee to get in and that is because it is impractical to charge for the rest of them. One charges, in my view, a bit too much, that is down at Kosciuszko, the rest it is typically \$10 a day.

You would think that in the future there would be technology which would allow GPS to track where you are and you could pay on that basis. If it was very little, you would think that most people would accept it.

**The Hon. JAN BARHAM:** Would that be like an e-tag or something like that?

**Mr LEDGER:** It could be.

**The Hon. JAN BARHAM:** If you could encourage people and I have another thing about supporting accreditation in terms of eco and cultural accreditation, particularly with this youth market, I think they are very switched onto those two areas and the credibility of the experience. In Europe it is accredited and people understand the standards. Those sorts of people who see the value in paying something, giving something back because they know that it is about maintaining, do you think it could work along those lines, that if you have a buy in to something that is a credible program that takes you to these places and even doing some volunteer work, which I know we have up our way, visitors come and do regeneration.

**Mr LEDGER:** I am an optimist about parks; I think they are a fantastic resource. I think I said in the submission they are a sustainable competitive advantage and also I believe tourism and conservation are not in conflict, as long as the tourism is appropriately managed through the plan of management but the parks need to be interpreted, they need to be resourced and ablution blocks need to be cleaned and all the rest of it.

Generally national parks in this State in my view are not well marketed because there is no money to do it. This was just an idea about how you might be able to move in that direction. I think tourists vary a lot but certainly a lot of our market is well educated and they are environmentally very aware. We were just at the Red Centre, as I mentioned, it is a \$25 fee for three days there, nobody balks at that, it is good value and in return you get very good interpretation.

**The Hon. JAN BARHAM:** It was not New Zealand; it was New Zealand where there was the camping legislation.

**Mr LEDGER:** They have got new legislation and a code of practice.

**The Hon. JAN BARHAM:** Is that about clamping?

**Mr LEDGER:** It is about discouraging street camping. It is about discouraging people pulling up on the side of the road.

**The Hon. JAN BARHAM:** Do you have that readily available or could we ask you to pass that on or if you have got a name for it, that we could look it up?

**Mr LEDGER:** Yes, I will send you the website.

**The Hon. JAN BARHAM:** The expansion and investment in the youth tourism market, is that new media, using social media rather than billboards and television ads and that sort of thing. Are you talking about a more directed campaign? We saw something start on the north coast which was that really good interconnected thing that Richard and them did.

**Mr FOLKES:** There is the best job in the world, which is a youth one that is happening now.

**The Hon. JAN BARHAM:** There is another one that some guys from the north coast did; it was social media based, a buy in and earning credit points.

**Mr FOLKES:** Yes, Roam. It was just before its time.

**The Hon. JAN BARHAM:** That is right.

**Mr FOLKES:** The technology was just slightly before its time but they are starting to evolve again now where the technology has caught up, or at least smart phones and stuff like that, so you can buy, earn points and then spend again in other regions.

**The Hon. JAN BARHAM:** And connect up and tell your stories.

**Mr FOLKES:** That is right.

**The Hon. JAN BARHAM:** Could Government make a big mistake and put a lot of money into advertising in the traditional sense and not look to this sort of market?

**Mr LEDGER:** The Best Jobs in the World campaign, which is a Tourism Australia campaign, which is seven jobs in Australia, did very well with a lot of traction. We have got people here now who are wildlife caretakers or rangers or doing different jobs. That was all marketed through new media. None of it was traditional advertising.

**The Hon. JAN BARHAM:** Who owns the information technology on that?

**Mr LEDGER:** It originally came from Queensland but Tourism Australia picked it up. As a general comment I think the Destination NSW needs to get a better grip on social media and digital marketing. It does not have to be that expensive and the traditional way of marketing tourism has changed. We all spend our evenings online now researching destinations rather than sitting watching television ads. The world is changing quite rapidly. There are also some new threats out there. Some of the major booking channels, the online travel agents, they are offshore owned, they are very, very powerful, they are very large and sucking up everybody's attention so it is making destination marketing agencies like New South Wales have difficulty getting any traction.

**The Hon. JAN BARHAM:** Can you explain that a bit more; that is of interest? Are you saying that offshore people are fleecing local operators?

**Mr LEDGER:** I did not quite say that.

**The Hon. JAN BARHAM:** The profits.

**Mr LEDGER:** The traditional tourist agencies, if you go to a visitor centre, there is a list of accommodation in the area. That is something that the visitor centre did. On a State and national basis there is something called the Australian tourism data warehouse which lists all accommodation and other activities. If you are watching the Bledisloe Cup and sydney.com is on the railings, you go to sydney.com, this is the information you will find. This is where our taxpayer dollars into tourism partly go, to resource all of this.

**The Hon. JAN BARHAM:** That was on yesterday.

**Mr LEDGER:** The difficulty with all of it is that it is not monetised and the technology has not kept up with the mainstream commercial sectors. If you Google Coffs Harbour accommodation you might find the one you are looking for but you will also find a lot of other ads beside and below—pay for click advertising it is called in the trade—which will distract you and try and cipher your booking through that channel. It is a legitimate distribution of product, but it is becoming very, very powerful.

**The Hon. JAN BARHAM:** Is there a way around it? Can you protect against it?

**Mr LEDGER:** You can book direct. They are providing a service, but it is just a comment about the difficulties that the State tourism agencies find themselves in because they do not have a revenue stream coming from their own channel, because they have been told not to compete with the private sector.

**Mr FOLKES:** What we found that helped us grow directly was the export marketing development grant. We exhausted that over a seven year period and that was kind of dollar for dollar spending. We are very connected with our market and we know where they are around the world. Our demographic is almost aligned with theirs but in a different country of age and what we do and stuff like that.

Generation Y and a lot of our staff, they are highly connected, they are on social media platforms all the time and just commercialising their lifestyles is what makes people want to come to this country, and that is what we were able to do with some success. We continue to try to do it, but obviously the more support we get, the more we can spend on those specific target markets.

**The Hon. JAN BARHAM:** What about the value of things like Trip Advisor and that? I have seen some negative comments about those types of platforms that are able to be manipulated by people who can then be negative about some places and positive about others. That can all be manipulated for commercial advantage.

**Mr FOLKES:** Absolutely.

**The Hon. JAN BARHAM:** That is out of vogue now, is it not?

**Mr FOLKES:** You almost have to take it with a grain of salt these days. If you are going to encourage pro-active approaches to Trip Advisor, then you can definitely build your profile, but it can be misused. You have heard of blackmail stories where it is like give us a discount or we will give you a negative rating even though we have not been to your property. There are all sorts of things that have come up about that.

**Mr LEDGER:** I think it is worth saying, most of the sites you cannot leave a rating unless you have stayed and experienced the product. Trip Advisor is the exception and I think they are in continuous dialogue with the industry about how to manage that particular problem. I do not think it is a major problem.

**Mr WHAN:** They do take things off.

**CHAIR:** Just before we conclude, I notice in your submission special rate variations you do not support. Could you expand a bit more on that?

**Mr LEDGER:** I am just nervous of on what basis they can be applied. Are they a pedestal tax or are they a turnover or how do you arrive at it, presuming the starting point is that local government needs more money to invest in local tourism.

**CHAIR:** Yes and tourism is getting income because of the nature of the industry. They are attracting business and the council need to pay for signage et cetera.

**Mr LEDGER:** What we learnt from the pilots' strike was that it is not just the accommodation house or not just the restaurant that are involved in the tourist industry; it is the butcher, the baker and the candlestick maker. Everybody is involved, so we would prefer to have a broader based rate base across all business and residential because residential hopefully some of them are working in the tourism industry. This is why I am personally quite passionate about making sure that tourism supported by the communities in which it takes place. If it is not, then you have got a problem.

**The Hon. JAN BARHAM:** It has to deliver a benefit.

**Mr LEDGER:** That is right.

**The Hon. JAN BARHAM:** Not a negative; that is the key point.

**Mr HENKE:** Or get better at communicating that benefit when it is there but it is not recognised.

**The Hon. JAN BARHAM:** The reference to the fact that local government benefits from increased property values because there are increased rates. That is actually not correct. That is not how rates get increases. Council does not earn more money when property values go up. The differential changes. To get additional money you have to go to State Government and get approval. That is one of those myths that is out there.

One last thing, you raised a fabulous issue and that is about rail travel. It just gets overlooked all the time, that opportunity of rail travel, particularly for the regions. The opportunities are huge and you obviously see them in your market. Can you explain a little bit?

**Mr LEDGER:** We have seen in the time I have been in New South Wales a big decline in ground transport, particularly the coach and a big increase in cheap airfares. We will see Jetstar's offers every Friday afternoon and you can fly all over the place for almost nothing. People go to places with airports which can accommodate jets and that means in the case of New South Wales, frequently they fly straight over the State, including our international visitors. So we have got relatively few places which can compete. Ballina airport would be one but places like Armidale, Dubbo, Albury, none of them can compete. They have all got expensive fares.

In the meantime, poor old Country Link really has not had much investment in all that time. In fact, you cannot go to places you used to be able to go to. Let us hope there will be a resurgence of

rail. I have got a feeling that airfares will have to rise and that may swing us back. Most of our market do not want to drive themselves, so they will use public transport.

**CHAIR:** Thank you very much. Unfortunately time has expired for questions. Any questions you have taken on notice, you will have 21 days to respond, but on behalf of the Committee, thank you very much for appearing this afternoon.

**(The witnesses withdrew)**

**MR GREGORY CHILVERS**, Director of Research and Resource Centre, Police Association of NSW,

**MR SCOTT WEBER**, President, Police Association of NSW, and

**MR PETER REMFREY**, Secretary Police Association of NSW, sworn and examined:

**CHAIR:** Thank you for coming this afternoon. Would you like to make an opening statement before we commence with questions?

**Mr WEBER:** Thank you Chair. It will be extremely brief. Tourism is such an important industry in regards to New South Wales and Australia as a whole. Being a Tweed Head boy, born and bred up there, I know full well the impact of tourism, whether it be good or bad.

We see from the people who have given evidence today, whether it be from the campervans and motorhomes, backpackers, prospectors, there are a lot of different industries here, but the one thing I think is important is to look at the problems with crime and those associated problems it has with tourism.

In Australia we have an extremely ageing population. We have the baby boomers retiring and as you would have seen from the motorhomes and the campers and the people that are travelling, the grey nomads, the perception of crime is such an important issue. It does affect the community and regardless or not if crime is actually going up or down, that perception is obviously real to those people that are contributing in those communities.

The major factor for police across New South Wales is alcohol related violence. We have raised this before on numerous occasions and we will raise it again. That is why we have formulated a coalition called Last Drinks. That is a coalition of not only concerned citizens but of police officers, nurses, doctors and ambulance officers that are out there to keep the community safe.

Our primary concern is always the safety of the community. It is not about profits, it is about making sure the community is safe. But in saying that, we want people to contribute to society. We want people to have thriving businesses and we want people to come to the State of New South Wales.

That is what my job is. That is what I was sworn to protect. So our submission today is in relation to alcohol related violence. We keep going down the path of the Newcastle model, putting some modest restrictions in place that protect the community and make sure that places like Byron Bay, Tweed Heads, and the Newcastles of the world are places that people want to come back to. They are not places where people go back overseas or go back interstate and say that was the most horrible experience I ever had. Because we know, when someone is a victim of crime, that is something that stays with them for the rest of their life; something that permeates through not only their family but through their entire community and taints their decisions in regards to contributing to tourism in New South Wales. It taints their decisions in regards to coming here and actually adding to the economy.

**CHAIR:** Thank you very much. We will start with questions from the Hon. Lynda Voltz.

**Ms VOLTZ:** First I would like to say thank you for your submission, it is probably the most detailed one that we have received. It has got a lot of great information in it. I just want to go to a couple of issues around late night venues and assaults around them. There is thinking that perhaps if you can get people off the streets quicker there is less risk of violence. Where people are walking out of venues and cannot just hop on a bus or they are all trying to compete for taxis, that that actually plays into the problem of having too many young people on the street, not able to get home and creates conflict. Do you have a view on that?

**Mr WEBER:** Definitely, that is correct. If there is a large volume of people and they are intoxicated, and there are limited resources to get home, it does create tension. You are walking down the street; you are more likely to bump into someone. You are more likely to sit there and look at your watch or your phone and go, hang on a minute, I have got to wake up in five hours, I need to get home

now. It builds up tension and that tension mixed with alcohol causes violence and we see that time and time again.

Not only does the research that we have done through our research centre with Greg Chilvers and the comments that we have made on numerous other committees highlight that, but I think we have all seen it, every Committee member has seen that time and time again. We just need to open up the paper every day to see the result of that.

What we need to do is have a holistic approach in regards to how we tackle this issue. We think the best way to actually reduce this violence is obviously putting some modest restrictions in place, that is in regards to trading hours, lock out and restrictions regarding sale of shots and heavy liquor. Transport is an important issue and it needs to be there, but it is not the be all and end all.

**Mr REMFREY:** I would just like to add to that. What we have seen in Newcastle is a combination of at least two things but specifically in relation to your question, we have a lock out arrangement so that people know that if they leave premises at a particular time or after a particular time they cannot get in anywhere else and that tends to force them to go home. It disperses the crowds.

Then you also combine that with a later restriction on the actual trading hours. You bring all of that forward and you overcome the problems that we have got in Kings Cross where the trains stop at a particular hour but the trading hours go later. It does not make any sense whatsoever.

Our understanding is that the bus program that has been introduced up there is suffering from very low patronage. So people are still relying on taxis to get home and the problems then occur on taxi ranks. What we have not seen in Newcastle when the restrictions have been imposed is problems associated that you might say if everyone has to leave at 3.30 there are going to be masses of people on the streets. We have not seen that and in fact what we have seen is a reduction, a significant amount, in terms of assaults after dark—37 per cent and it is higher after midnight.

**Ms VOLTZ:** The other question I was going to ask you is around special events, particularly when you have got touring sides say the British Lions coming out or an Ashes Test tour and you do tend to have that kind of tribalism going out. Do the police have special strategies for dealing with those kinds of large tourism events?

**Mr WEBER:** That is something that New South Wales police are extremely skilled at. We saw that from the Olympics. The Olympics was the best Olympics ever and will be for a long period of time. The Lions tour, again a large volume of people and let us be honest, they were here to get intoxicated and have a great time.

What the police did, they had numerous contingency plans. We planned extremely well for that. We have a major event and incident group all on top of that. We have a public order and riot squad. We have got a lot of strategic strategies in place and that is with transport; that is in the distribution of flow of people. We are extremely good at that. What we need to do is utilise that skill every day across New South Wales. What we need to do is utilise that every weekend.

We do it every now and then with Operation Simmer in the city and Operation Unite every three months across Australia, but we just do not have the resources across the board. I think our report highlights that we are especially stretched in the northern part of the State where it is extremely difficult to deal with that influx of people during the holiday period. There is a massive flow on effect. We do not have the resources to deal with it.

With those special events, yes we do tasks. We put enough officers there. Also, it is subsidised by the venue providers, subsidised by the Government in other ways. So it makes it a lot more beneficial.

At the present moment usually it is extremely difficult to get extra funding if we are just dealing with those tourism events or just the summer holiday periods.

**Ms VOLTZ:** There were a lot of vacancies in the north of the State in terms of police

numbers, they were under strength. Has that been resolved satisfactorily?

**Mr WEBER:** What we are seeing is the Minister of Police, Mike Gallacher, make an announcement at the Taree community meeting and he said there was going to be a review. The review is being done by the new Assistant Commissioner up there, Jeff Loy and we have a lot of confidence in regards to his review of the staffing levels.

Jeff Loy was the previous Assistant Commissioner of the Forensic Services Group and reduced the actual backlog of forensic data that was needed from 18 months to one day turnaround.

We have been working with him, the local branches have been working with him, but the one thing that is clear, especially in the north and west of the State; they need more staff. We have raised that with all police at these police stations that are actually assisting the New South Wales Police, the regions, to deal with that issue. Again, we still have the lowest police to population ratio in the country and we have one of the lowest ones across the western world. We make do with the resources that we have, but again I think we need more.

**Mr WHAN:** In areas like Byron Bay do you get more police moved in there for peak times in the same way as you do in the Snowy Mountains?

**Mr WEBER:** Yes, but not enough. The influx there is extremely difficult because there are a lot of places in New South Wales, especially during the school holidays that need those extra resources. You are robbing Peter to save Paul. What we find is that we do not have enough staffing there at the bases. Again, there has been a massive sea change influx.

**Mr WHAN:** It has not kept up with the growth in population essentially?

**Mr WEBER:** No, but also it is a transient population. So every Friday and Saturday night you have a large proportion of people coming in from Queensland or Brisbane, because they know this is a Mecca—I am sure it was highlighted by the backpacker association, this is a place where there are a lot of tourists there. So people are drawn to that. They come in there and there is a clash between cultures or people that are there on holidays and people that are locals. There are a massive amount of issues there.

As soon as you have, let us just say on a great night there are four police cars in Byron Bay—which would hardly ever occur—as soon as they all have an arrest, and that could all happen in quite quick succession, which would be in a two hour period, one arrest every half an hour, some issue in regards to alcohol related violence. We have no response. The response has to go back to Tweed Heads or Lismore. It is a massive drain on our resources.

This is where we have been talking to the Government and New South Wales Police about cutting red tape but again, we need the police officers on the ground to deal with these issues.

**Mr WHAN:** A lot of the focus of your campaign is on licensed premises. Have you got any thoughts on how to deal with the people who are arriving in Kings Cross and presumably at Byron Bay, the pre-fuelled and drug affected people? The incidents we have seen in Sydney of violence are often people that have come in—I have forgotten what it is called. Something I saw on the web recently where they interviewed a 16 year old who had rocked up into the centre of town to try and have a fight with someone, clearly drunk. Have you got any thoughts on how to deal with those sorts of things?

**Mr WEBER:** It is extremely difficult to deal with idiots and we have got to try and restrict their behaviour before it starts. That is why we talk about trading hours. What we have seen in the Newcastle and I am sure Peter and Greg can highlight it more, is that there is a change in behaviour. If you do have the 1 am lock outs, then people realise they have to be in a certain venue at a certain time, there is no point coming in from the western suburbs at two o'clock in the morning to cause problems because there will be no one there.

**Mr WHAN:** A lot of these seem to be coming in a lot earlier than that. They are arriving drunk early in the evening and causing problems as well, are they not? So how does a lock out affect

those?

**Mr REMFREY:** The experience in Newcastle, and it has been looked at by academic studies, is that, as Scott said, the behaviour is changing, people are going out earlier rather than later and they have not got the same capacity to pre-load as they otherwise did. You are always going to get some people that will turn up drunk and that will require proper door controls and responsible service of alcohol, et cetera.

**Mr WHAN:** Police on the ground.

**Mr REMFREY:** That is right, but the experience up there has been that the pre-loading has reduced and there has been some evidence to suggest that that is the case. Anecdotally and logically it makes sense, if you bring the night time forward, then you are going to reduce the incidents.

The other issues up there of course are restrictions on shots and sale of high volume alcohol drinks after 10 o'clock. So you are not getting the intensity of alcohol affectation that was previously the case. You are getting people drunk, but they are not blind drunk as they were prior to your restrictions starting up there.

**Mr WHAN:** I did note the Byron Bay meeting that has been on recently. Have the measures that were put in in February with lock outs in Bryon Bay, had an impact so far?

**Mr WEBER:** Not to my know, I am not aware of any statistical data but just touching upon the 16 year old, there is probably an issue that this Committee could look at and that is in regards to pre-loading and drinking alcohol in parks or down at the beach or any sort of sporting ground, public venue. When I say sporting ground, I mean when it is closed.

They obtain the alcohol, whether they steal it off their parents or an older sibling buys it for them, then they consume it in a park and head into town and cause problems that way.

What we find with policing, we can confiscate that alcohol and tip out the alcohol that is already opened. We confiscate the alcohol, take it back to the police station, book it up and then a responsible adult, a guardian comes in and has that interaction.

**Mr WHAN:** How many of them would come in? I would think there would not be many.

**Mr WEBER:** There is not many. I think sometimes there needs to be an onus for them to come in. It would probably be more beneficial that that alcohol is not returned, because we are not having those interactions and that the alcohol be destroyed, so there is actually some form of punitive punishment besides the fine, because again we are dealing with teenagers and a fine, as we all know, probably will not be paid. But actually taking away the problem or taking away the issue starts to change the behaviour. If they realise they are going into a public place and their alcohol is going to be taken and there is no mechanism for them to get that back, it may change the behaviours.

**Mr CHILVERS:** Could I just make a comment about the pre-loading stuff because Professor Peter Miller at Deakin University has done some significant studies in the Geelong area in relation to pre-loading and the night time economy. Part of that touched on pre-loading. He has not published it yet but I have got some data here that he sent me.

He looked at Newcastle and the impact of the section 104 restrictions after that. What has happened is very clearly while there has been a continual rise in the pre-loading at significant levels in Geelong, in Newcastle it has fallen since those restrictions were imposed.

Going back to your initial point, the problems are all in the early morning, they are not the early evening. So it is after midnight. That is when the real problems occur and the statistics support that.

**Mr WHAN:** Some of the worst incidents have not happened after those early hours of the morning, have they?

**Mr CHILVERS:** But in terms of the volume and a lot of those early incidents have occurred because people have precisely done that, they have pre-loaded.

**Mr WHAN:** The other area I was going to go onto quickly was a number of the other witnesses have come here and talked to us a lot about illegal camping, campervans and things like that. Do you have a comment from the perspective of police officers about any role in assisting councils with that? The general view seemed to be that it is not something that police should have to be worried too much about.

**Mr WEBER:** Well police officers have powers under all Acts and we can actually exercise that authority but it is just not possible. Just to go back, because we are dealing with alcohol related crime across the board, those fringe elements just fall to the wayside.

If we could get alcohol related violence under control, then we could focus on that. Again, I think you see the models in New York—and Greg would speak better to it—where they actually target the lower end of the offences, target the railway stations, target not having a bus ticket and railway fare. They were picking up the other offenders. If people are willing to break certain minor laws, they may be involved in other matters, whether that be alcohol related or drug related.

We would love to assist the councils in regards to those issues and sometimes people that should not be in those areas move on, but at the present moment we do not have the resources and nor do we have even a focus on that issue, because we are dealing with the major concern in New South Wales and that is alcohol related crime.

**Mr CHILVERS:** The New York experience which was referred to as the broken windows theory was often called the zero tolerance but it was nothing like that at all. The theory of course was if you start to target people who do not pay their fares on the subways, then someone who is a serious criminal is less likely to pay their fares than an honest law abiding citizen. You pick them up, not for the fare, but you do a check on them and pick up all these outstanding warrants and stuff like that.

They had a significant impact on crime. That is the sort of thing that if police in New South Wales have the time and the numbers to be able to do that, you would probably see a very significant reduction in crime.

**Mr WHAN:** Could you reduce problems in places like Kings Cross by actually having enough police there as people arrived in the area, to actually talk to people and identify them?

**Mr REMFREY:** The issue around the Cross—

**Mr WHAN:** It might be a civil liberty issue but for the sake of argument.

**Mr REMFREY:** It is interesting, those civil liberty issues are not unimportant and we are certainly cognisant of those, but the reality is, and we have had this discussion with others, the victims of these sorts of crimes are also the very same young people that everyone says they should have rights to drink all night. They are also the victims of the crimes in the main.

Numbers are important and Greg touched on the New York experience. Not only did they do that as a policing strategy but combined with that was a very significant increase in police numbers. This notion of having a cop on every corner was actually a reality in New York. It was the post-Clinton administration that introduced a larger influx of police, not only in New York but in a range of other cities around the world.

So yes, policing numbers are not unimportant. We have argued that the venues up there ought to pay in perhaps in terms of a user pays model.

**Mr WHAN:** I thought they were willing to do that.

**Mr REMFREY:** Well, yes.

**Mr WHAN:** They indicated they were.

**Mr REMFREY:** Until you actually scratch the surface and have the discussions about how much it might cost.

**The Hon. JAN BARHAM:** In principle.

**Mr REMFREY:** For example, we have used user pays for many years at sporting and other events where there is a profit being made. The decision about how many police numbers are up there is made by the police and the venue operator gets a bill. That might be a bit of a shock to the system of some of these guys running their clubs up there.

I think the Government has got a review of the Licensing Act underway at the moment and we have had a preliminary discussion with the individual that is running that. Some of the evidence that we have been able to ascertain is the amount of money that the Government does not get out of licensing in New South Wales. It is a tiny amount of money. You are not charging venues for licences in the way that you probably ought to and you particularly are not charging those venues that want to operate a late licence anything near the amount of money that you ought to be to try and get some recovery going.

I think the Auditor-General recently did some work which has been well publicised suggesting that alcohol costs the economy of New South Wales about \$3.87 billion and you pull out of licensing revenue \$1.09 million. You do not get any tax money out of the alcohol industry directly, that is all paid through to the Federal Government. There is a massive dichotomy here.

**Mr WHAN:** Most of our revenue comes via the Federal Government.

**Mr REMFREY:** You do have the GST revenues of course and I am not diminishing the fact that the alcohol industry will in turn pay GST and taxes in other ways and that will be returned to the State but what happens in other jurisdictions—and New York is a good example, and we have referred in our paper to some reports that have been done. Suzie Matthews from the town hall here did a very significant Churchill Fellowship document around licensing and how it works in other jurisdictions. You do not get a licence in perpetuity in New York City. You get a two year licence and it has to be renewed every year. There is an escalating factor depending on how late you open. Things like that need to be considered.

There ought to be a direct correlation between the cost of alcohol to our community and to our Government and the money that you are generating from it. That is not the case at the moment. I do not want to screw publicans. It is not our go here. There are a small proportion of licensed premises that open late and it is the rest of the licensed premises that are in fact paying the bill for that group. They are not paying for what they are creating. There is no cost of externalities that we have seen in say the pollution industry and others where you are actually starting to apportion costs and change behaviours.

**The Hon. PAUL GREEN:** Last night I was listening to Thomas Kelly's father on 2GB and his suggestion was that not enough is being done with alcohol fuelled violence. I know you are pretty happy with the Last Drinks campaign in Newcastle. Can you make some comment of how far could you see a program like the Last Drinks campaign being rolled out across New South Wales and would it be in hotspot areas or would it be general? How do you see that?

**Mr WEBER:** We have always said it should be across the board and again, not to be punitive to any business and not to give anyone any unfair advantages. But in saying that, and you would have seen it from the night time economy from around the world, it is not being a nanny state, it is not being over-zealous, it is actually bringing us into line with most of the rest of the world.

But we have a massive problem. We have a huge problem. When people like Thomas Kelly die in our streets and when we have ongoing assaults time and time again, every weekend, every single night, and these are the ones that are being reported. There are numerous incidents that do not get reported to police. There are numerous incidents where people do not go to hospital. There are numerous incidents that do get reported and do not end up in the media. It is a terrifying situation for police officers.

All we deal with virtually after 12 o'clock is alcohol related violence. This is a campaign that did not generate in regard to police officers just being assaulted; we generated this campaign in regards to community safety. It is about protecting the people that we are trying to protect. It is about making sure that people are held to account.

We have doctors and nurses being assaulted in our hospitals and again, if we go and look at a financial cost, it is a massive drain on our systems. Our systems are already at breaking point. We do have a finite amount of money and we totally realise that. Well, let us utilise that money a little bit better.

The best way to do that is put some modest restrictions in place so we can get some breathing space and put in some other strategies. Ambulance officers, doctors, nurses and police officers will tell you the same thing and they are at the coal face every day dealing with this. What we would like to see is across New South Wales but we realise that it is extremely difficult. At first we would at least like it to start somewhere. We would like it to start in a hotspot.

The best case scenario is let us do it across New South Wales. We are quite realistic that is not going to occur. Not at the present moment. But what we need to do is pick a location and trial it there, because if people are not accepting the data from Newcastle, which we do not understand because again this is not our data, we are police officers, we base ourselves on evidence. We would not be having this argument if it was flawed. It is not flawed but if you want to test it, let us test it somewhere else.

**The Hon. PAUL GREEN:** In terms of liquor outlets in Kings Cross, I think there was a diagram that they have nearly doubled in the last four years. Would that be right? Are you aware of how many licences there were four years ago?

**Mr CHILVERS:** Just about the whole area is now zoned for the 24 hour licences, the applications are made. Go back to the focus of this Committee, which is on tourism, but we need this to make this an international city. I keep coming back to that because that is just not true.

I was in New York last year, you cannot get a drink in Times Square after midnight unless you sit down to a meal in a hotel. I am just on my first day back after six weeks leave and two weeks ago I was in Barcelona. People do not go out in Barcelona until 10 or 11 o'clock at night to eat, it is standard. Closing time for bars is 3 am. We want it to go back to 3.30. Barcelona is an international city. Rome, the same thing. I spent last week in Rome. You cannot do that.

When you talk to people and they say where are you from—Australia. Oh, bella, bella, I want to go to Australia, never been there. They do not talk about so I can get a drink. If we are going to focus on promoting tourism to Australia, we are not going to focus on the fact it is where you can get a drink 24 hours a day, for God's sake, let us get realistic.

**The Hon. PAUL GREEN:** The small bars legislation that went through virtually saying let us dissipate the alcohol outlets so the family friendly opportunity can exist and the alcohol violence will somehow be reduced. That is not a true argument in your experience?

**Mr REMFREY:** We have not seen the evidence that that is so. But the real problem is where those bars are being located. If you locate them in an area that is already highly dense with licensed premises, you are not really changing the mix. The density issue is a particularly significant one.

The issue that we have always focused on in the Newcastle restrictions about closing times et cetera, et cetera, is largely about two key concepts—access and availability. The density issue is a very significant issue that has not really been properly looked at. Of course we have got this dichotomy within government between the competition policy and ensuring that we have got a capacity to remain competitive and people have got a right to open bars, but you have also got this other issue around the social impacts of alcohol. It is a special product that is being sold. It has always been regulated since the Rum Corp and it always ought to be because it has got some special characteristics associated with it. It is not normal competition where you should be able to open up as

many restaurants as you like in an area because you do not want to restrict competition. That is a spurious argument when it comes to alcohol and unfortunately what we have seen is that it has been used time and time again to overturn sensible regulatory regimes that local governments have tried to introduce.

I think the small bars issue was done with all the best intentions but it has actually contributed in a negative way to the saturation problem, particularly in a place like Kings Cross.

**Mr WHAN:** Have there been any opened in Kings Cross since that legislation passed?

**Mr REMFREY:** Hundreds.

**The Hon. JAN BARHAM:** Every cafe has turned into a bar.

**Mr WHAN:** You mean since that legislation passed in Parliament just a couple of months ago?

**The Hon. JAN BARHAM:** No.

**Mr REMFREY:** The previous regulations in 2008.

**The Hon. JAN BARHAM:** In 2008.

**Ms VOLTZ:** It might have been our legislation.

**The Hon. JAN BARHAM:** Yes, it was yours.

**The Hon. PAUL GREEN:** Yesterday I was somewhere and my wife saw someone that appeared to be staggering and in their hand was another box of Coolabah or something and a few bottles, which was not more than 20 metres away from the bottle shop; so he was obviously served. My question is how many charges have been laid for responsible service of alcohol and what is done to police that?

**Mr REMFREY:** I think there are a couple of issues about the responsible service of alcohol. The first is that there is no evidence to suggest that it works. There is an enormous amount of resources pumped into the responsible service of alcohol but unless it is heavily enforced it does not work particularly well.

The second issue is a practical issue and I am speaking anecdotally here and I cannot quite remember exactly where it came from. I think it was in the hospitals, professional doctors and nurses went through a test about whether or not they could tell how much alcohol an individual had consumed and they could not do it, when they actually did the proper test. It is very, very difficult to do.

There are signs of course and you can theoretically tell when someone is blind drunk. They could be having an epileptic fit for all we know. Police are not doctors. Bar staff are not doctors and it is fundamentally against what they are there to do. They are there to sell alcohol to make a profit for the boss and yet at the same time we are saying to them you have also got to adopt the responsible service of alcohol. It is like they are being torn.

There are two issues there. There needs to be responsible service of alcohol, I am not suggesting otherwise but to suggest that the responsible service of alcohol is going to solve the problem is based on a complete lack of evidence.

**Mr CHILVERS:** Can I just say also, and I cannot remember, but I can get this information for you, it was a Victorian academic who has done a meta-analysis of all the research papers in relation to the impact of various strategies on alcohol related violence. The ones that are at the bottom of the list have no impact whatsoever on education, personal responsibility and responsible service of alcohol. At the top of the list is precisely what we are suggesting, reduction in opening hours, reduction in ability to actually have access to alcohol. They are the only things that have an impact.

**Mr WEBER:** The bottle shops are a big issue. You just have to see at Mardi Gras and I have worked there many times, that is where most of the alcohol comes from. Most of the issues are not with people watching the Mardi Gras, they are sitting to the side. I have been in running brawls with 200 or 300 people and most of them are under age. Bottle shops do not regularly check identification. They do not have those interactions. There is research in regards to that similar to what the issues were with under-age smoking, that perhaps there is something that needs to be done in regards to the selling of alcohol at bottle shops. There needs to be a more stringent process and people need to be properly trained and have those interactions before it starts.

**The Hon. PAUL GREEN:** Do you think that the special constables' law that recently went through this week will be helpful in empowering rangers to at least give them access to manage prohibited alcohol zones and alcohol free zones?

**Mr REMFREY:** I think the law that was passed last week designed to actually terminate special constables within anywhere else but New South Wales Police. What next needs to happen is those rangers need to be given the specific powers they need to do their jobs. I do not think that bit of the puzzle has yet been done but we supported that legislation. There is no need for people who were council rangers or transit officers or people working in hospitals to have the powers of a police officer without being properly regulated or overseen by the Commissioner. They do have to have their specific powers and we do support the union involved to ensure that those people are properly trained and equipped to ensure their safety.

I think that legislation was more facilitative and it is the next bit of the legislative program that needs to ensure that these employees have got the powers to do it.

**The Hon. PAUL GREEN:** Just one final quick question. The actual number versus authorised numbers, certainly in regional Australia, you seem to say that you are still struggling for resource, whether it be vehicles or police numbers. Do you want to elaborate on that?

**Mr WEBER:** When we created the local area command model I think a lot of things were not taken into account, such as the tyranny of distance and also keeping stations open and having someone behind the counter to respond to calls, so we just looked at raw statistical data in regards to crime and what we could respond to.

In those community areas, in the country areas they want a certain level of service and they deserve it. They deserve a person behind the counter to deal with their concerns. The problem is that because we do have limited resources, you will have Sergeant Weber and his partner goes out on the road and we close up the station. Now when someone knocks on the door, they do not have an interaction with police. They do not give us the information that is necessary. Whether they be a tourist or a local member of the community and they go on and they may not tell us that important piece of information.

There are certain stations that stay open for eight hours, 16 hours, some need to be 24. We are bleeding in the north and the west of the State. That is where our focus is. We have highlighted that to the Minister of Police and we will really need to make sure that is where we are putting a lot of our police resource. Not at the cost to the city, but when we are talking about extra numbers coming on board, that is where they need to be focused. But there is a review ongoing at the present moment.

**Mr REMFREY:** I think just to add to that, the evidence in our paper would indicate that the cost to the community of alcohol abuse is actually higher in regional areas than it is in the city on a per head of population basis. Exactly why that is I guess the academics could say but that is the fact. So you do have not only the problems that Scott mentioned about numbers and the capacity for police to respond to situations of assault, et cetera but you also have a greater cost to the community, greater number of hospital admissions and the like. The reasons are a bit of a mystery but the evidence supports that view.

**Ms VOLTZ:** If you looked at Leichhardt local area command it covers Glebe, Balmain and Leichhardt I assume, and you compared that to somewhere covering Dubbo and Nyngan and those kinds of areas. You are talking about different soci-economic groups and different problems. That

would in some way imply that there are those levers as well operating on the police resources.

**Mr REMFREY:** I think that is right. Identification is an important issue in that area. I grew up in the area, so I know it reasonably well and things change but you have got definitely if you look at the numbers, lower socio-economic issues out in some of our regional areas. There are a lot of poor people out there; access to health care is impacted as compared to us that have the good fortune to live in the city.

**Ms VOLTZ:** Unemployment is high.

**Mr REMFREY:** There are some very significant challenges for Government and communities generally in those areas and our members are the frontline in dealing with those issues and often the only people dealing with the issues, particularly around mental health for example.

**The Hon. JAN BARHAM:** I just want to follow up on the issue of policing levels. Correct me if I am wrong, but when you have a high level of stress leave, which the north had, those positions do not get filled, is that right? You are down on numbers.

**Mr WEBER:** Certain positions, there is a set criteria, set timing in regards to filling those positions. The issue in the north, the north region is unique. If there were some answers I would be very happy. The north region, I think from the start they were not staffed correctly and there was not a correct allocation of police officers. On top of that too there is a unique working environment there. We are talking about some of the busiest local area commands across the State are virtually all located in the north region. Nearly all the top crime categories in the top 10 are all in the north region; very, very busy commands. That means police officers are more likely to get injured, whether it be mentally or physically. On top of that too there is a high workload in regard to crimes where we have double beepers, which is life threatening jobs, are waiting for a period of time for police officers to respond.

On a Friday or Saturday night—and with our calculations it may say that we need 18 to 20 cars, that is not going to occur. It is never going to occur. What we need to do is make sure that we have adequate amount of cars dealing with those jobs in an adequate amount of time.

The north region is a problem. We have been focusing on it for a long period of time. That is why we are extremely happy with Assistant Commissioner Jeff Loy doing a review. He has listened to not only the local police but he is starting to speak to the local communities. This is an initiative that has started from the Minister of Police and that is something that we are really looking forward to the results of.

One would say those results would highlight there would be a lot more resources, that is police numbers, put into the north region.

**The Hon. JAN BARHAM:** You refer to the under reporting. We have heard on another committee about the under reporting and the lack of consistent reporting in the emergency departments. They do not identify that alcohol is a cause, it is a diagnosis. It is not looking at the cause of someone presenting.

With festivals and events it is my understanding that the operators only pay on private land, they do not pay for the associated additional police that would come in that are there in the public spaces for the—

**Mr REMFREY:** Tamworth music festival.

**The Hon. JAN BARHAM:** I am trying not to just focus on Byron but in all those areas where you have those events, is that correct? That is what I have been told previously that you can only extract those resources for the private land.

**Mr WEBER:** It depends on the agreement, obviously the traffic management plan and all of those issues. With the Sydney cricket ground we actually go to a certain part and quite a substantial area around it; whether it be the Blues Festival—

**The Hon. JAN BARHAM:** Random breath tests and things?

**Mr WEBER:** Random breath testing that is extra. The reason we would target that is obviously we are going to get a large volume of customers or people going through that. So strategically for us it is very wise and also we want to make sure the community is safe.

If there is a large event, whether it be New Year's Eve—now New Year's Eve across the board we put a lot of resources in because we know there are going to be a lot of people there. If there is a sporting event or if there is a music festival, we will boost up our numbers in the public domain. Will the proprietor pay for that? Usually not, but in saying that, we will still put those resources there because it is the best way to utilise our minimal resources to get the most bang for our buck. That is, targeting the most amounts of people, because there are issues in regards to visibility, having interactions and people want to see the police officers there.

Also on top of that, the last thing we want to do is have a serious incident which will drain our resources for the next two or three months, that is a murder or a serious sexual assault or something like that. We want to stop things before they start.

**CHAIR:** In the time remaining I think Niall has got a couple of questions.

**The Hon. NIALL BLAIR:** Thank you Chair. Gentlemen, I apologise for missing the start of your address, I was at a funeral.

I understand the issues around alcohol and that is obviously another inquiry that we are doing. I just have a couple of questions maybe steering away from that. Steve and I both live in an area that is heavily populated at this time of year and I noticed driving back from the Highlands last night, a good weekend on the snow, lots and lots of cars.

**Mr WHAN:** Traffic jams in Cooma and Bredbo, it is a nightmare.

**The Hon. NIALL BLAIR:** I am just curious, obviously there are other issues that take up a lot of resourcing, but is the message getting through and how well are you managing the issues around fatigue and speed, particularly in those peak and trough weekends. We have had a poor season; a great weekend, everyone wants to get down there. How do you manage that in relation to policing numbers?

**Mr WEBER:** We actually get extra seconded police and they go down there. They actually get special equipment and a snow allowance to get down there. Trust me I would love to go down there, just for the record. Yes, we do put resources down there. Again, with the road toll and traffic management, we have actually changed the structure in New South Wales Police. It comes under the one Assistant Commissioner. There has been a real strategic approach and across the board we have seen reductions in fatigue and speed related deaths for the last 15 to 20 years. But again, when we have such a high density large amount of people in a limited amount of time trying to travel, sometimes these horrible incidents occur.

The police officers are there having those interactions and you will see the traffic reports that are occurring, obviously highlights some fatalities. There have been two fatalities this morning at Haberfield on a motor cycle. Again, I think we are putting adequate resources into it. I think we could always put in more or have the super fast train down to the snow. There are numerous other solutions but I think from our highway patrol and what we are speaking of, they have been tasked appropriately in regards to this issue and there are enough out on the road. Hopefully you did not have any interactions with the highway patrol but you saw a fair few out on the road.

**The Hon. NIALL BLAIR:** I have maximum points on my licence. I am willing to table that and there has been since 1998.

**Mr WHAN:** There were a lot of highway patrol vehicles; that is true.

**The Hon. NIALL BLAIR:** I think more visible than I have ever seen at any stage. Obviously the resourcing numbers for anything, be it the Elvis festival, be it the snow weekend, the Tamworth country music festival, do you have an assessment tool in which you then try and resource

the policing numbers for those areas?

**Mr WEBER:** There are basic standard operating procedures in regards to it. We have planning units as well. We are actually quite skilled at this. Whether it is a natural disaster or, Lord forbid, something more sinister than that or it is a planned event, we actually go through it. We sit down with the providers and we go through it. Again I will relate back to what I said about the best Olympics ever. We just had the lines right; a very good performance. Things are going to occur but we can deal with them.

The biggest issue is that you are bleeding resources out of a local area command. The issues that are occurring down there at the snow, those officers come from Sydney. Those officers are being taken away from something. So if I was dealing with your incident in regards to a serious assault, I am taken away and you are not going to see me. I am going to have to correspond with you by electronic means or by phone.

I am down there in a new environment, it may take me a week to work out where the streets are, where the hotspots are and then I am going to have to interact with that local community, build up those relationships.

In a perfect world we would have those resources down there all the time, but we do not have that amount of money and we realise that too. That is why we deal with the limited resources we have. It is like an attack model that we had during Cedar. Cedar is the Cronulla riots, where we took a lot of staff from the local area commands and placed them in the hotspot.

The same with what is occurring down at the snow, we are taking a lot of resources away so that means there may not be the highway patrol presence that there was on the Sydney streets but we are taking it where there are a massive amount of problems and trying to prevent them. So we are utilising our resources quite wisely I think. But do we need more resources? Definitely.

**The Hon. NIALL BLAIR:** I guess in direct relation to obviously what we are trying to do is have a look at the impact of tourism on local communities. Tourism then obviously has an impact on the resources that you have allocated to those communities because of the fluid nature in which you need to move people around and I can imagine Bathurst weekend draws a lot from other areas, just like you say the snow does, as would schoolies. I guess it is a case of being able to manage those.

**Mr WEBER:** Bathurst is a prime example, a real strategic approach. It is one of, if not the only sporting event you can take your own alcohol to—major sporting event. I worked the first time at Bathurst and we had a major massive police response, huge, just to change the behaviours.

Maybe that is what we need to do in some of these areas, whether it be the snow and absolutely saturate it, and slowly wind down. That means a large investment from the Government and the local community. When we attended Bathurst there were hundreds of police officers there. I was with the operation support group and we were there working non-stop around the clock. Heaps of incidents. The next year it dropped off a little bit but we still had the same numbers. The third year we actually reduced our policing numbers and we saw things had changed.

Then they changed the regulations in regards to taking a whole case of beer up onto the top of a hill. So there has been a change in behaviour and also a change in our response. Now when we talk about Bathurst it has actually really dropped off and it is a great venue. We have got families up on the hill again. That is what we want. The families are the ones who are going to spend money and if you get the children there, they are going to come back for the rest of their lives. They are the ones who are going to contribute to the community.

I think it goes back to what we were highlighting before about the baby boomers and that, the last thing you want are people that are retiring to go into a tourism destination and have a bad time. A bad time when it is involved in crime means you are never going back there again. We see that time and time again. If I deal with someone who is elderly or retired and their house is broken into or they have an incident out on the street, they are never going outside again; and it devastates us. We try to help them back into the community but it just does not occur. What we would like to do is try and stop that before it starts.

**Ms VOLTZ:** On sporting events, you were talking about the Olympics; the Olympics had practically no crime whatsoever. Do you think if Australia could actually win a sporting event that would reduce crime?

**Mr REMFREY:** If I could just wrap up with one issue that we have not covered and that is the evidence in our document, and I would ask you to have a closer look at it, obviously not now. It is about the impact of alcohol on the night time economy. There is this myth about the impact of alcohol on the night time economy is massive. Again, the evidence suggests otherwise. It is less than a quarter of the impact. The bigger impact is food and entertainment.

Three quarters of the night time economy, if you are talking tourism to get it back on track, is about those issues of food and entertainment. Less than a quarter is alcohol, so the modest changes that we are suggesting you ought to make are not going to negatively impact on tourism. In fact, I would argue that if you make the public domain safer at night, with less alcohol related violence, you would have a better situation with entertainment. You can afford to have open air concerts and whatever else you want to do, as well as better food; then you are going to encourage a different sort of tourist and one that is hopefully going to spend more money in our economy.

I think that is a really important point. We have made it quite clearly in there. We have got the research to back that up and it is the first time I think I have seen that because the industry always says you are going to devastate the night time economy; well we actually are not. We are not seeking to do that and the evidence would suggest that it is not as important as is being made out.

**CHAIR:** Thank you very much. Unfortunately time has expired for questions but on behalf of the Committee thank you again for appearing before us this afternoon.

**(The witnesses withdrew)**

**The Committee adjourned at 4.18 p.m.**