

REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE NO. 3

INQUIRY INTO TOURISM IN LOCAL COMMUNITIES

At Sydney on Friday 13 September 2013

The Committee met at 9.15 a.m.

PRESENT

The Hon. N. Maclaren-Jones (Chair)

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

CHAIR: I welcome everyone to the third public hearing of General Purpose Standing Committee No. 3 inquiry into tourism in 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. Before I commence, I would like to acknowledge the Gadigal clan of the Eora nation who are the Traditional Custodians of this Land. I would also like to pay respect to the Elders, past and present of the Eora Nations and extend that respect to other Aboriginal people present.

Today we will hear from a number of stakeholders including Albury City, NSW Trains, Transport for NSW, South Coast Regional Tourism Organisation, Regional Development Australia Far South Coast, Shoalhaven City Council, Shellharbour City Council, Surf Life Saving NSW and Department of Planning and Infrastructure. In addition to today's hearing, the Committee will also be conducting site visits to Ballina, Dubbo and Jindabyne in October and November. Before we commence, I will briefly explain the procedures for today's hearing. Copies of the Committee's broadcasting guidelines are available from Committee staff. Under these guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. And so I urge witnesses to be careful about any comments you may make to the media, or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. Witnesses are advised that any messages should be delivered to committee members through the Committee staff. A full transcript of what is said during today's hearing will be prepared by our Hansard reporters. The transcript will be available on the Committee's website in the next few days. Finally, could everyone please turn off their mobile phones. I now welcome our first witness Ms Tracey Squire, Director, Economic Development and Tourism, Albury City who we are speaking with via teleconference.

TRACEY SQUIRE, Director, Economic Development and Tourism, Albury City, sworn and examined, via teleconference:

CHAIR: Good morning, Ms Squire, My name is Natasha MacLaren-Jones and I am the Chair of General Purpose Standing Committee No. 3. In the room is the Hon. Steve Whan, who is a member from the Labor Party, the Hon. Jan Barham, who is representing The Greens, the Hon. Paul Green who is from the Christian Democratic Party, and Mr Scot MacDonald who is from the Liberal Party, as am I. We are all members of the General Purpose Standing Committee No. 3. Also present are secretariat and Hansard staff.

Ms SQUIRE: Good morning, everyone.

CHAIR: At any stage, if you cannot hear a member asking you a question, ask them to speak up. Before we commence questions, do you wish to make an opening statement?

Ms SQUIRE: To provide some background, I am a representative of Albury City. I am a member of the Albury City executive team. As Director of Economic Development and Tourism, my portfolio includes tourism marketing, visitor services and product and industry development. Also, it includes the operation of our Albury Entertainment Centre, which is the region's premier performing arts and convention centre; an events team, delivering community, sports, recreation and tourism related special events; and economic development with a focus on investment attraction, new resident attraction and supporting the growth of business. Our objective is to assist the Committee to fully appreciate the direct and indirect State investment tourism and particularly the value of tourism on local communities. I take the opportunity to thank you, Madam Chair, for allowing me to participate by teleconference.

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

The Hon. STEVE WHAN: Many of the people who have spoken to us so far have talked about the need for regional New South Wales to have destinations with particular specialisations or natural advantages that would bring domestic and international visitors. Where do you see Albury in that regard? What is the destination attraction that brings people to your area?

Ms SQUIRE: Our key strengths are our sports and recreation events. We attract State championships, national championships and some international. We work very hard at attracting some major league games across a whole range of different spectrums into the region to provide regional Australians the opportunity to attend and participate in those things and drive visitation into the city. Sport and recreation events are certainly a priority for us and one of our existing strengths. The other is around the Murray River and Lake Hume. You are probably aware that Lake Hume holds something like seven times more water than Sydney Harbour so the size of the lake provides a vast range of opportunities for recreational activities. They would be, in terms of products and drivers to the region, some of the critical components for the purpose of visits.

The Hon. STEVE WHAN: I am very familiar with Albury because my wife comes from Albury. I am a regular visitor. You would see the market as being primarily a domestic tourism market?

Ms SQUIRE: My word. Certainly for Albury-Wodong the rate of international visitation for us is relatively low in the context of our overall visitation. Our primary focus is Melbourne, Sydney, regional Victoria and regional New South Wales visitors. We also attract a reasonable percentage from Queensland and Canberra; they are another key market for us. It is definitely a domestic focus at this stage. One of the challenges with the international market, particularly moving into the Asian market, is that you have to be able to deal with that client base to make sure that they have a quality experience. That obviously takes a lot of industry development work to bring the operators up to speed. You also need to have a product offer that is significant enough to drive international visitation. Albury-Wodonga is not a Gold Coast, an Ayers Rock or a Great Barrier Reef, and not all destinations can be those things. We try very much to work within the realms of reality and make sure that we can deliver an experience that meets people's need and expectations.

The Hon. STEVE WHAN: In relation to your role and the council's role in promoting tourism, how do you integrate with your regional tourism organisation [RTO] and what is the relationship?

Ms SQUIRE: We are a very active region of Murray Regional Tourism. I am also on the board of Murray Regional Tourism as a Riverina and Murray Regional Organisation of Councils [RAMROC]

representative. As you would be aware, RAMROC represents 19 councils along the Murray in New South Wales. I have been elected by that group of councils to be one of their two representatives on that Murray Regional Tourism Board. We contribute as a council in the order of \$25,000 a year to that organisation with a view to working in collaboration with our local government area [LGA] partners on both sides of the river and pooling our resources so that we can leverage off public relations and marketing opportunities in particular. We also work collaboratively to develop longer term product development strategies with a particular focus on the Murray.

The Hon. STEVE WHAN: Does your cross-border situation cause you problems with consistency between the two State governments in the way they approach tourism?

Ms SQUIRE: It does. Certainly in my experience and based on the last three years, Tourism Victoria has provided considerably more financial support to the organisation and provide financial support to those communities via the organisation, particularly in terms of periods where we have disaster recovery. For instance, the floods that occurred some 18 months ago, a lot of the financial support came through Murray Regional Tourism and that program support was delivered by our organisation. We find New South Wales tends to take more of a hands-off approach. The level of funding that is provided, whilst obviously it is most welcome, is considerably less than that offered by the Victorian Government.

The Hon. STEVE WHAN: What particular areas is that Victorian support directed to? You mentioned disaster recovery, which theoretically should be the same between both States because of the Federal arrangements. Are there other areas where there are significant differences in the programs that you want to highlight?

Ms SQUIRE: Perhaps more to do with the level of operational support. An organisation like Murray Regional Tourism, as you can imagine, working across a geographical area from Albury-Wodonga to Mildura with 14 partner councils presents a range of challenges. Also, in order to drive the outcomes that all of the stakeholders are looking for, it needs to be adequately resourced. Each of the LGAs make a financial contribution. Tourism Victoria makes a contribution, as does Destination NSW. We tend to find is the difference in operational support. For example, this financial year Tourism Victoria is providing \$300,000 in direct operational support for the organisation and Destination NSW is providing \$90,000. From that perspective, at a range of different levels, there certainly does appear to be a case that Tourism Victoria and the Victorian State Government is providing a higher level of support.

The Hon. STEVE WHAN: The new approach taken by Destination NSW where it is funding RTOs and also destination development, is that improving the situation? Is that similar to the approach taken by Victoria? Can you comment on that?

Ms SQUIRE: It is still a slightly different model. Obviously it is early days. We have only had the first round of two rounds this year of funding that have been worked through. In the Murray Regional Tourism, for example, the focus is very much the operational funding, which has been arranged. I think time will tell. One of the biggest challenges with that particular program and the way it is structured is that one of the critical selection criteria is that you must be able to demonstrate that your project can drive the achievement of the 2 per cent growth in New South Wales visitor number target. As I have outlined in our submission, that can be quite challenging for a regional community because we are not a Gold Coast and we are not a Sydney. Certainly there are other benefits that come from investment in tourism and product development that tend not to be considered as part of the overall assessment process. I understand the reasoning for that but it does make it difficult for regional areas to compete for that funding when the key performance indicator targets are so high.

The Hon. STEVE WHAN: So, given your market, probably the best sort of assistance you could get would be infrastructure support for your sporting facilities and those sorts of things. Is that right?

Ms SQUIRE: Absolutely. And certainly that product development opportunity associated with the Murray River is what we are focusing on as a local government. But our capacity to progress projects is obviously constrained by the availability of capital.

The Hon. STEVE WHAN: You have done a very nice job on the bike path along the Murray.

Ms SQUIRE: Good.

The Hon. JAN BARHAM: I would like to follow on with questions on the infrastructure issue. Do you find that some of your public facilities—parks, playgrounds, roads—are impacted on by tourism? Do they require an additional investment by council?

Ms SQUIRE: Certainly they are. I will provide a specific example. Down in our Murray River experience precinct we established what we call the Oddies Creek Playspace, which is a playground space in which we invested, in partnership with the Federal Government, about \$1.3 million. That sounds like an awful lot of money for a playground but I can assure that it is quite spectacular. We found that there was value in that and that that product or experience influenced the perceptions, particularly of our family market. The effect that had on the quality of the experience in the city has been considerable. Certainly, while much of the infrastructure that we provide is delivered for the community, if we make sure that in our long-term strategic planning we are developing infrastructure that serves both markets—so it meets the local community needs and also provides us with an opportunity to drive tourism and the visitor economy—then there are significant benefits.

Obviously that comes at a cost. I think I pointed out in our submission that one of the challenges we have is that with a lot of those public assets or public products we do not have an opportunity to recoup that capital investment through any other means than rates, because the majority of the time they are utilised by, or managed by, community organisations who do not have significant budgets. We may hire them on a commercial basis but the reality is that we are trying to attract those events. Often that is part of our events bid proposition. So that does present some considerable challenges for local government. There is no doubt about that.

The Hon. JAN BARHAM: You said that there was Federal funding for that particular project. Under what category was that funding provided?

Ms SQUIRE: As part of its economic stimulus package the Government introduced a regional and local community infrastructure program. It was only a short-term program but it ended up having, I think, three rounds. Essentially, that allocated a specific amount of money to every local government across Australia based on their population. Then it was up to the community to determine how they wanted those funds to be invested. It had to be a capital project. Obviously it had to meet certain criteria within a certain scope.

That program has delivered more support for us, as a city, in terms of tourism product development than anything else over the last five years. Overall, I think Albury benefited from something in the order of \$2 million over the three rounds. That was over a three-year period. That allowed us to undertake works in our railways precinct and visitor arrival points—where we have our visitor information centre—down at the Murray River experience, with the Oddies Creek Playspace, and also across a range of different, smaller-scale projects across the community, which support both the community and visitors.

The Hon. JAN BARHAM: Just to follow on from that in relation to the funding issue, you have said that you recognise the value of a special rate variation but that it is not feasible in terms of addressing the associated infrastructure. Would there also be concern about putting that additional charge on your residents? I am trying to work out whether there is scope for some sort of State based infrastructure fund that tourism communities could apply for or whether you think your business community could carry an additional special rate variation.

Ms SQUIRE: As I have outlined in the submission, there is often discussion about special variation rates for tourism marketing and promotion being targeted to specific sectors, such as the business community. As we have highlighted in our submission our view is very much that everybody in the community benefits from tourism, whether that is infrastructure investment or marketing and promotion. Certainly, Albury City has obtained approval from the Independent Pricing and Regulatory Tribunal to vary the rate—at the end of a special variation rate. We completed that at the end of the last financial year. The purpose of that special variation rate was to undertake specific capital projects across the city that were identified in our Albury 2013 community strategic plan. So our view is that we would certainly be happy to contemplate the future application for a special variation rate but our preference would be for those to be applied across the whole of the community on an equitable basis. That then does not place all of the financial burden on the business community.

The Hon. JAN BARHAM: Would you see that there is better value in the provision of infrastructure rather than marketing and promotion?

Ms SQUIRE: Absolutely.

The Hon. JAN BARHAM: In relation to that, you made a comment about the need for public infrastructure to meet the needs and expectations of visitors. You said that that may have an impact on the quality of their experience. Do you have any evidence about how people value what you have on offer, or whether it has changed since you have done that recent work?

Ms SQUIRE: Yes. Probably the majority of comments come either in written form through letters or from verbal feedback from visitors. We get a lot of compliments about the presentation of the city—the look and feel of the city and its vibrancy, the cleanliness of the streetscapes, the quality of the landscaping and the maintenance in and around the city. We certainly get feedback in that respect. For example, we had a Canberra Raiders-Melbourne Storm National Rugby League trial match. Feedback from the players and the clubs with respect to the quality of the playing surface that we provided at our premier sportsground was overwhelmingly positive.

So on one hand we are getting very positive feedback. On the other hand, from time to time we get negative feedback about different aspects. That feedback is usually about things that we have not had the financial capacity to undertake. Those comments might be quite general but sometimes they are specific.

The Hon. JAN BARHAM: Is that mainly about maintenance of the public infrastructure?

Ms SQUIRE: Often it is around things like, for example, the Wagirra Trail along the Murray River. We have a long-term plan to extend that trail further along the river up to another reserve area. Some visitors would like us to do those things sooner rather than later. So they might say, "Yes, we love your trail but we would like to see more of it. You need to progress it." Sometimes the comments are about simple things like the quality of public toilets. Obviously, you need to invest money in things like that, but are they going to drive visitors?—No.

The Hon. JAN BARHAM: But they are necessary.

Ms SQUIRE: Yes, absolutely.

The Hon. JAN BARHAM: I am from Byron Bay so I know about tourism impact on toilets. I am interested to know whether you have much in the way of Aboriginal tourism in that area.

Ms SQUIRE: Our Wagirra Trail initiative is driven in partnership with the Aboriginal community. The trail itself was constructed by an Aboriginal work crew. We have engaged the crew and provided them with a three-year training and development program. Council has invested in the order of \$1.5 million into that initiative, per annum for the last three years. It is delivering for us a physical product that tells a story, in many instances. So we have worked with the Indigenous community to make sure that their story and their interactions with the river are part of that experience. But at a practical level we are also providing employment training and education opportunities for some of the young Aboriginal people in our community. The Wonga Wetlands area is about 10 kilometres from our riverside precinct. In the Wonga Wetlands area we have worked with the Indigenous community to establish a Wiradjuri campsite. I guess that really tells the story of a traditional Wiradjuri campsite so that visitors, particularly young people, can get a bit of a sense of what that experience is.

The Hon. JAN BARHAM: Are you operating under a Destination Management Plan or is it embedded in your economic development plan?

Ms SQUIRE: Certainly we work primarily under the Murray Region Tourism Destination Management Plan but we have worked very hard to make sure that our strategies work through from top to bottom. We are in the process now of finalising our updated Destination Management Plan—we were actually waiting for the outcome of the Federal election so we could make sure that it hopefully aligns somewhat with the new Government's policies—and I would expect that will be adopted by council in November.

The Hon. JAN BARHAM: Did you say that you have applied for funding under the State's new Destination Management Plan?

Ms SQUIRE: AlburyCity itself has not because we did not have our Destination Management Plan finalised for the first round; albeit we potentially could have argued that we sit under the Murray Region Tourism Destination Management Plan anyway. We are still working through some product development opportunities and we are hoping that we will be ready to lodge an application for the next round.

The Hon. PAUL GREEN: You commented on the floods and their effect on the area. How did you address the infrastructure? Was there much damage and, if there was, how did you resource the maintenance of that damage?

Ms SQUIRE: That is probably a little difficult for me to answer. Albury as a community was not affected by the floods. So the flood relief funding that was provided from Tourism Victoria was very much focused in areas like the Gannawarra shire in Victoria, which sits within our Murray region area. I am probably not the best person to provide that advice for you, I am sorry.

The Hon. PAUL GREEN: I was referring to the implications of tourism infrastructure being compromised and, if one of your markets is tourism, the economic ability to be able to quickly repair that. In paragraph two, page three of your submission, you say:

As is being highlighted in the current Local Government review, Local Government has limited financial capacity therefore the support of State and Federal Government to development significant publicly owned tourism product or assets through grant funding can be crucial in realising a community is tourism and economic development potential.

Can you explain how the State Government could assist local government better given its limited financial capacity?

Ms SQUIRE: Certainly. I will probably answer that on a couple of fronts. The pegging of rates in New South Wales has presented some long-term and significant financial challenges for local communities. I appreciate that it has been given consideration in the Local Government Panel Review; albeit without significant change. Unlike our neighbours in Victoria whose communities, within reason, can set their rates based on what the needs and aspirations of their particular communities are; we in New South Wales have found ourselves in different circumstances. Certainly if individual councils are provided more freedom and liberty with respect to establishing special variation rates—and certainly speaking from AlburyCity's experience working through the IPART process to obtain approval for a special variation rate took a considerable amount of human resources and investment on council's behalf—if that process could be streamlined and, I guess, refined to help communities achieve their objectives, perhaps a little more than being overly bureaucratic, that would be helpful.

The other comment I would make is that certainly there does need to be recognition and potentially some additional direct infrastructure support provided by the State Government for major capital projects that communities are looking to undertake. Certainly at this point in time if you look at the sports and recreation programs support, for example, the maximum you can apply for is \$250,000. We have identified in our Community Strategic Plan and our Four Year Delivery Program that we need to invest \$7.5 million into the Lavington Sports Ground to make sure that we can absolutely maximise the community's return on that asset. Our capacity to do that within the next four years will be dependent on being able to attract in the order of 50 per cent of that capital cost through other levels of government. But as it stands at the moment, the structure of the State Government programs does not lend itself to providing support of that level of significance for that type of infrastructure.

The Hon. PAUL GREEN: You mentioned that on page 5 of your submission, where you say:

Council's ability to directly recover this investment from users is limited due to the financial capacity of local sports and recreation clubs in the competitive nature of today's event bidding market.

There are a lot of recreational clubs throughout New South Wales where councils are being pushed to the wall and starting to consider charging people for the use of grounds, and that is not very helpful in the outcome of activity, health and wellbeing. Will you also explain what you mean by the "competitive nature of today's event bidding market"? Is it highly competitive in New South Wales to get these events at Albury or are you talking nationally?

Ms SQUIRE: Probably talking nationally. Albury has not moved into this realm because we have got concerns about putting dollars on the table to attract events, but it certainly is happening where councils across Australia are being approached by organisations proposing to host an event but often that comes with

considerable conditions and sometimes costs. Our approach has been more based on the quality of service that we offer, in terms of facilitating and hosting events, the standard of infrastructure that we can provide, the fact that we have got a critical massive accommodation offer and a complementary offer to add value to the patronal participant experience. To date we have been reasonably successful but we have certainly lost some events through the fact that we have been unwilling to, for example, pay an organisation \$10,000 or \$20,000.

The Hon. PAUL GREEN: You mentioned earlier about special rate variations. In particular you spoke about one program coming to the end where you had it specifically ring-fenced for projects. Were any of those projects to do with tourism?

Ms SQUIRE: Certainly, both directly and indirectly. Part of the contribution for our Albury Regional Art Gallery redevelopment has come from our special variation rate. We purchased land adjacent to the Lavington Sports Ground as part of the master plan and expansion programs for that particular facility. That was funded through the special rate variation. We did some upgrades to the Albury Entertainment Centre which cost in the order of \$500,000 or \$600,000; once again they were funded through that. There were also some major infrastructure upgrades at the Albury Airport. So there is a range of different projects. I would say probably we could argue that 50 per cent of those projects were tourism or tourism-related.

The Hon. PAUL GREEN: Are you going to approach that situation again? Are you going to put a lot of new projects in and go for another special rate variation?

Ms SQUIRE: At this point in time I guess I am awaiting the outcome and some further clarity around the Local Government review, but certainly if we find that our community's aspirations are such that they continue to demand the creation of this infrastructure and the councillors and community are happy to contemplate the additional costs associated, certainly we would consider going down that path, yes.

The Hon. PAUL GREEN: What is your finding with that special rate variation? Was it welcomed by the community given that they have maybe seen the outcomes of you honouring where those special rates were going?

Ms SQUIRE: I would have to say that certainly there has been a very positive result from the community about the project being undertaken. The reality is that for many people in the community they do not necessarily associate that project with a special variation rate rise that occurred three years ago and has been applied to their rates over that period. Just recently we have completed our community satisfaction survey, and where we are making that investment is the area that the community considers to be of high importance and high value. So from that point of view we are certainly confident that we are on the right track and that overall the community is comfortable that that has provided a return on investment.

Mr SCOT MacDONALD: I am not as familiar with the area; I am more the New England area. Albury City is just strictly the city and you have got—is it Hume around you? Is it Hume council?

Ms SQUIRE: Yes, Greater Hume shire. That surrounds the Albury local government area.

Mr SCOT MacDONALD: You made a quick comment about the Regional Organisation of Councils [ROC]. I am wondering how that works. Do you do a lot of liaison with the smaller councils around you?

Ms SQUIRE: Yes, we certainly do. We are a member of the Riverina and Murray Regional Organisation of Councils. We undertook a major strengthening base of communities, which was a Federal Government program a couple of years ago; we undertook a major project and worked in collaboration with Urana shire, Greater Hume shire and Corowa shire. We worked with the four councils to develop a region-wide plan to strengthen our communities and then we undertook a whole range of projects that we worked through as a group. There are a number of instances where we do that, but certainly we have a very close working relationship with our direct neighbours in particular but also with our regional neighbours.

We have established a Riverina Regional Cities Group. The councils of Wagga Wagga, Griffith and Albury meet about three times a year with the mayor, the general manager and the director of economic development, and that is really about sharing information, investigating opportunities to work collaboratively on specific projects and, I guess, having a platform for advocacy and promotion when they are needed as well.

Mr SCOT MacDONALD: It is pleasing to hear. Up where I am you do not see a lot of coordination. It is "my city versus your city" almost sometimes.

Ms SQUIRE: If I could just add, another significant one is our EvoCities partnership. Albury is one of the seven New South Wales inland regional cities working in collaboration on that project and that does present much more different challenges. But certainly that has been an extremely rewarding and worthwhile collaboration.

CHAIR: Just following on from working in with the other towns, as part of your plan are there any discussions or work that is done in relation to moving tourists around, how you get them—whether they are flying into Albury—out to these areas, or is it targeted for those who have their own cars and means of transport?

Ms SQUIRE: In terms of Murray region tourism and our work with that organisation, but also work under our own Visit Albury Wodonga brand, which I guess is more of a local brand than a regional brand, an important part of what we do is encourage the distribution of visitors to the broader region, and particularly for Albury. Our offer is quite specific and suits a particular market. But within close proximity to us we have wineries in Rutherglen and the King Valley and the Milawa gourmet region and we have the snowfields in Mount Hotham and Falls Creek. All of those things are within an hour, two hours, drive. We certainly take the opportunity to encourage people to even leave the city boundary and go out, and that is all about the quality of experience that the visitor is having.

The Hon. STEVE WHAN: And some great rail trails as well.

Ms SQUIRE: My word—the Murray to Mountain's Rail Trail.

Mr SCOT MacDONALD: I want to ask you how restrictions on things like Boxing Day trade affect you as a regional city and the tourist market.

Ms SQUIRE: We are fortunate in that we are one of the cities that have an exemption, so we can trade on Boxing Day, because we have many, many visitors in town during that peak holiday period for us, particularly to Lake Hume and the Murray River. Lots of people are coming into the area to get away, particularly from Melbourne but also from Canberra, to relax during the holiday season. But our view would be that we believe it should be at the discretion of the local community as to whether a trader trades on Boxing Day or not. I appreciate that a bill has been put forward, and I do not believe it has been successful, which I believe proposed that Boxing Day trading could occur provided that the employees had a choice as to whether or not they chose to work, and we would support that proposition.

Mr SCOT MacDONALD: I read that you are quite successful with your sports and you have got a good catchment there. Do you have much of a conference market? Albury is a significant city, and I think the last time I was in Albury was for a Liberal Party country conference about six or seven years ago, and you seem to have the infrastructure for it. Is that a market you chase?

Ms SQUIRE: Absolutely it is. The business market represents, depending on the year, 20, 25, 30 per cent of our travel. We have found it quite difficult over probably the last 18 months to really pull particularly the larger conference market out to the regional areas; they tend to not want to extend beyond an hour, an hour and a half of the major capitals. More what we are finding is that there has been significant investment in product, particularly convention facilities and the like, and our product is ageing—our convention centre and theatre—whilst we have invested several million dollars in the facility over the last 10 years, in terms of where it is sitting with some of the newer product that is available in other regional areas that are closer to metropolitan cities.

The Hon. PAUL GREEN: Shoalhaven Entertainment Centre. We thank you for the tour of yours.

Ms SQUIRE: Certainly it is a market for us. We do do well out of it, particularly during mid-week, and it is something we will continue to focus on.

Mr SCOT MacDONALD: So you are saying there, if I understand you rightly, that as other areas upgrade it attracts people away from your older infrastructure and you need to catch up, if you like?

Ms SQUIRE: Absolutely.

Mr SCOT MacDONALD: Is there a plan for that within the council?

Ms SQUIRE: The reality for us is that the entertainment centre sits within our cultural precinct. We spent in excess of \$10 million on our library and museum upgrade some years ago. We are now in the process of developing—

Mr SCOT MacDONALD: I will leave you with one question, and you may want to take this question on notice as I know the Chair is about to wrap up. You have talked a bit about your trails and other natural assets, how well do you work in with the NSW National Parks and Wildlife Service and do you see that as a growth area? You have had some big national parks declared near you, a bit further down the river from Albury. Is environmental tourism a growing market for you?

Ms SQUIRE: The short answer is yes, but I am happy to take that on notice and to provide you with some more detail.

Mr SCOT MacDONALD: Thank you, a bit more detail would be useful for me.

CHAIR: I would like to add to that question whether you have any interaction with other departments and, if you do then how that relationship operates. The other question I have, which I am happy for you to take on notice as well, is in relation to short-term holiday letting. A couple of the submissions we received have raised concerns about it. I know that Albury does have a market for that so I am interested to find out whether that is an issue in your area. Does having that short-term leasing—that is, people letting out their homes for weekends and things like that—of benefit?

Ms SQUIRE: Yes, sure; I am happy to provide information on notice.

CHAIR: Just so you know, answers to questions taken on notice and answers to any additional questions are due back within 21 days. Thank you very much for participating in this committee hearing today via teleconference.

Ms SQUIRE: Thank you very much for the opportunity to do so.

(The witness withdrew)

ROBERT FRANK JAMES MASON, Chief Executive, NSW Trains, affirmed and examined:

TIMOTHY PETER REARDON, Deputy Director General, Policy and Regulation Division, Transport for NSW, sworn and examined:

CHAIR: Thank you very much for appearing before the Legislative Council General Purpose Standing Committee No. 3 inquiry into tourism in local communities. Before we commence questions, I invite you to make a brief opening statement.

Mr REARDON: Transport for NSW put out its NSW Long Term Transport Master Plan late last year. It sets out our agenda for long-term infrastructure and for services for the entire State. Within that plan we indicated that we would also undertake regional transport plans across the State, and those are underway at the moment. We also said in that plan that we would undertake a longer term country rail services strategy, and that is also underway. Some of the plans within the long-term transport master plan we have placed out in the public domain already—such as the NSW Road Safety Strategy and, most recently, the Sydney City Centre Access Strategy. We are continuing to work on those plans. As I said, regional transport plans for each region of New South Wales and the country rail services strategy are underway at the moment.

Mr MASON: First of all, I thank you for the opportunity to address the committee. NSW Trains is a very new organisation, so I think it is important I spend a couple of minutes explaining our operations before I talk about how tourism fits into what we do. On 1 July 2013 NSW Trains began its operations—delivering dedicated intercity and regional train and coach services with a new customer brand NSW TrainLink. In simple terms, we took over the operation of the intercity trains previously operated by CityRail and we took over the operations of the old CountryLink business, including the XPT, XPLOER and coach services. These services are now united under one brand and one management team: NSW Trains. As an organisation we have a great opportunity to build an organisation that is dedicated to serving customers and communities and consistently delivering safe, clean and reliable train and coach services. We operate in the Sydney, Hunter, Central Coast, Blue Mountains, Southern Highlands and Illawarra, and south-coast regions—as well as the regional and intercity network.

We are separate from Sydney Trains, which runs the metropolitan railway. Our customers have very different needs from those of Sydney people. Our customers take longer journeys and require on-board facilities such as toilets et cetera. We have a workforce of about 2,000 people, who are delivering these intercity and regional services. Critically, we are regionally based so we are managed by regional customer service management teams based out in the regions and strongly focused on new local customers and the needs they have. We are focused solely on the regional and intercity passenger trains, coaches and stations. We have a permanent presence in the rail management centre and our intention is to improve customer services and to serve those communities. We do have a very important role in delivering towards tourism, and I am very pleased to be here to speak to you about that today.

The Hon. STEVE WHAN: Thank you for coming today. So NSW Trains is basically rebranding all of the CountryLink coach network and all of the trains around New South Wales but is starting with the same network essentially?

Mr MASON: That is correct; it is the same network, which we inherited on 1 July. We will be progressively rebranding as vehicles come in for refurbishment and things like that.

The Hon. STEVE WHAN: You just mentioned briefly that you are working with tourism. Can you give us an explanation of what formal links you have with regional tourism organisations and how you plan for partnerships with major events? The very famous one of course is the train that runs to the Parkes Elvis Festival. Is there a formal process you go through of linking with these tourism organisations?

Mr MASON: Organisations may come to us, and we are a member of many of the associations in New South Wales—and I have a list of those.

The Hon. STEVE WHAN: Are you formally a member of those or do your local people on the ground just engage with them?

Mr MASON: It is both, I think. We have local travel centres—we have 18 local travel centre managers around the State and they clearly have relationships with the communities they are based in. We also have a formal marketing development organisation whose job it is to go and talk to the associations for transport, travel and tourism around the State.

The Hon. STEVE WHAN: Do you engage with those regional tourist organisations in planning for your services or do you simply respond to events? Is it proactive or is it reactive to the events that are happening? Or do you say, "Here is our timetable; do what you can with it"?

Mr MASON: There is a timetable and we run that anyway, but if we spot an opportunity—and that is what our marketing development organisation would look at—we would certainly go to talk to those organisations. Right now we are working on the Bathurst King of the Mountain express and we have the Parkes express, as you say, for the Elvis Festival. We also have the Dubbo Jazz Festival. That was an opportunity which we looked for and they will come to us as well. It is mutual. There is no one way.

The Hon. STEVE WHAN: I will come to an issue close to my heart, which is servicing Jindabyne. In that region 17 per cent of the economy is tourism, but there is no CountryLink service to Jindabyne. Having a bus service to Jindabyne has been studied over and over again. Is there any progress on that service, and at what stage do you look at the tourism part of the equation rather than just the local resident population?

Mr REARDON: As I indicated, our priorities are being placed in the Long Term Transport Master Plan. The regional transport plans will go to that next level to look at some of that detail. The matter you are raising about services to Jindabyne, either the issue was raised during the Long Term Transport Master Plan process, and it may have been—

The Hon. STEVE WHAN: I am pretty sure it would have been. The previous Government conducted a study and a Committee also went out and looked at it.

Mr REARDON: Understood. But in terms of stakeholder consultation on that long-term master plan, a lot of submissions came through. If that matter was raised then it would be picked up in the regional transport plans that are under development now. I would also suggest, as I indicated, that the country rail services strategy has to look at the origin-destination base of servicing the travelling public of New South Wales. If that is a matter that needs to be raised then it would be picked up in those regional transport plans and in that country rail services strategy.

The Hon. STEVE WHAN: Does that analysis take tourism in an area into account or basically just the resident population? In south-east and southern New South Wales most CountryLink routes are pretty much what used to be railway lines before they were closed with links out, so Jindabyne does not get a guernsey in that. Does the tourism value of a region come into the calculation?

Mr REARDON: The short answer is yes, but in terms of transport planning it is about customers. Customers come in many forms and we try to do a lot more work with customer experience on the customer value proposition of what those various groups need. The short answer is yes; tourists, commuters and every other form of customer in between would have to be taken into account in terms of how we plan services. That is both from a metro perspective and a rural and regional perspective. The short answer is yes.

The Hon. STEVE WHAN: I do know that any change to a CountryLink bus timetable causes a revolution. I have experienced that a few times. Mr Mason, what is the current condition of the XPTs in terms of their age, lifespan and the cost of maintenance?

Mr MASON: I think last year was the thirtieth anniversary of the XPT coming to New South Wales. They have been refurbished and had new engines installed on a number of occasions. I think they have been refurbished within the last eight years. They certainly have not managed to keep up with the expectation of the customer now. Customers now would expect power points and things like that for the trains. We have not got those facilities. We have got the buffet car and so for long distances it is adequate, but it is certainly not what we would like to offer in the future. We would certainly be working towards seeing what we can do to improve the long distance travel with power points or wi-fi and things like that.

The Hon. STEVE WHAN: What planning are you undertaking towards that? Is that part of transport planning at the moment?

Mr REARDON: Again, the Long Term Transport Master Plan will look at all of our service delivery and all of our infrastructure. Within that is rolling stock for metro areas and it will examine what we require for servicing rural and regional areas as well.

The Hon. STEVE WHAN: What link is in that planning process for the future planning for development of, for example, the Southern Highlands-Goulburn corridor, XPTs and those sorts of things?

Mr REARDON: At its broadest level when we did the Long Term Transport Master Plan, as I said before, we undertook a significant amount of stakeholder consultation region by region. We did go right around the State to understand people's concerns and issues. A lot of those matters would have been picked up during that process. As I indicated, going down to the next level of detail into regional transport plans the submissions and issues that were raised when we received that consultation feedback, which certainly was fulsome, will be taken into account in those regional transport plans.

The Hon. STEVE WHAN: Has your department been working with the previous Federal Government and, I hope, the future one on the announcements that have been made and the studies that have been done on fast trains?

Mr REARDON: Transport for NSW has been involved in high-speed rail, as you would expect we should be, with the jurisdictions to the north and south of us. We certainly have been involved in discussions about where the previous Government was looking at high-speed rail.

The Hon. STEVE WHAN: What about inland rail? I know it is a bit off topic, but some comments have been made on inland freight rail. Were you engaged in that?

Mr REARDON: We are aware of most of the freight origin-destination work that goes on around the State. Inland rail has been a matter that has been discussed previously between Brisbane and Melbourne. We are aware of where it is at at the moment.

The Hon. STEVE WHAN: Are you directly engaged with the process that has been going on?

Mr REARDON: Our priorities have been set out in a ports and freight strategy draft that we put out. However if the inland rail brings itself forward in terms of Melbourne and Brisbane, we would engage in that as it comes forward.

The Hon. STEVE WHAN: Can you let us know the time frame for when the strategy on country rail will be completed?

Mr REARDON: I indicated that we put out the Long Term Master Plan and we have put out a lot of the sub-strategies already. We have announced program funding for those, and they have been our priorities. We are trying to get on with the regional transport plans as quickly as we can. The country rail services strategy will follow those regional transport plans.

The Hon. STEVE WHAN: Will you start work on it after you complete those regional plans or are you working on it now with the completion date in mind?

Mr REARDON: In parallel. It is being worked on now.

The Hon. STEVE WHAN: Is there an approximate completion date?

Mr REARDON: I cannot give that to you right at the moment.

The Hon. LYNDIA VOLTZ: Is the possibility of a second airport built anywhere into the plans you are looking at?

Mr REARDON: Again, the Long Term Transport Master Plan set out pretty clearly what we were looking at in terms of priorities and we continue to work towards those. For the metropolitan area—

The Hon. LYNDIA VOLTZ: Does that include the possibility of a second airport?

Mr REARDON: We have laid out what we have got in the Long Term Transport Master Plan at the moment. We have published it.

The Hon. LYNDIA VOLTZ: I am just asking you what is in that. Does it include that possibility?

Mr REARDON: Anything that a future government would take into account we will also look at but, at the moment, the priorities we have set out in our long-term master plan are clear.

The Hon. LYNDIA VOLTZ: So they do not include a second airport, because there has been no announcement?

Mr SCOT MacDONALD: Point of order: I know we are not in a combatant budget scenario here but we do seem to be straying from local community tourism.

The Hon. LYNDIA VOLTZ: To the point of order: A second airport is fundamental to tourism, and Government members have raised it. If you are going to look at building fast trains and regional links I would have thought that a second airport was fundamentally important in a master plan strategy. I am being told that there is a master plan and that things are in it; I am asking whether planning consideration for a second airport is included as part of that.

CHAIR: Members can ask any questions, and airports have come up in the inquiry, but the witnesses are able to answer the questions put forward as they see fit.

The Hon. LYNDIA VOLTZ: When doing your master plan are you dealing only with current announcements or do you look at future expansion?

Mr REARDON: The Long Term Transport Master Plan is a 20-year document. The priorities that we have placed in that are what we are getting on with delivering right now. That is what we are getting on with delivering. The question you are asking about the metro area, our priorities have been quite clear on major infrastructure such as WestConnex, having a look at the M2-M1 corridor, the South West Rail Link, the North West Rail Link and light rail. They are the priorities we are getting along with. If I can go to your point on air services more generally, our role under the legislation of the New South Wales Government is to provide licences for air services to run to regional communities out of Kingsford-Smith Airport. Recently we did the next round of five-year licences to provide certainty to 14 regional communities where a single licence has been issued to those regional communities. They go to places such as Cooma, Broken Hill, Parkes, Moree, Cobar and they have been recently relicensed. It provides certainty for those communities and, for that matter, they have a five-year licence for the air service that is provided. So that has been our focus on air services.

The Hon. PAUL GREEN: In a report on the economic and social development of the Central West of New South Wales, this Committee went there and they talked a lot about the potential of unlocking their economies comes with transport, trains and expressways, for example. Will you update this Committee with information about the expressway over the Blue Mountains? A finding of this Committee was that that expressway would be crucial in unlocking the economic and development of that region. It is obviously a no-brainer that tourism would flow and that would be very helpful.

Mr REARDON: The links to the Central West—

The Hon. STEVE WHAN: A fast train to the Central West, I reckon.

The Hon. PAUL GREEN: It is coming.

Mr REARDON: The links to the Central West are as important as they have ever been. Our focus has basically been on the Great Western Highway and delivering continual upgrades to it and continuing to look at Bells Line of Road and what to do with that route as well. That is pretty much unchanged I think since the last inquiry. We have put out our long-term Master Plan to say how we will look at both of those, so continual upgrades across the Great Western Highway, specifically improvements in places such as Victoria Pass and what we have done with improving safety through that route. We have also indicated what we will do on the Bells Line of Road and will continue to look at it as a route. We have outlined those priorities in the Master Plan.

The Hon. PAUL GREEN: Are you pursuing to reserve corridors for future opportunities along there?

Mr REARDON: We are focussed on those two routes at this point in time. In terms of the Bells Line of Road corridor and purpose there is work outlined in the Master Plan and we will continue to look at that one.

The Hon. PAUL GREEN: Does the NSW Long Term Transport Master Plan identify funding requirements for the maintenance and improvement of the regional road network? What are you doing in those terms because once again The Greens see them as an artery for tourism to get out to regional and rural areas.

Mr REARDON: Roads and Maritime Services continues to maintain 18,000 kilometres of the road network in New South Wales. Local government maintains something close to 150,000 kilometres of the network. We continue to deliver maintenance and capital works across the State on a region-by-region basis. We have outlined that funding profile within each area in our Long Term Transport Master Plan and also then supported in the latest Budget Papers on how we fund regional roads and State roads across the State.

The Hon. PAUL GREEN: Mr Mason, in relation to Bathurst, Lithgow and Orange there was discussion about passenger rail transport in that report and the possibility of the extension of electric trains for commuter transport. What is possibility of it being electrified? Do you have a view on extending any of those opportunities.

Mr MASON: I think that is a question for Transport for NSW. I am purely the operator.

The Hon. STEVE WHAN: You get to play with trains all day.

Mr REARDON: Our focus at the moment is to Sydney Trains and NSW Trains underway fulsomely. They have got some changes to their operating areas so you have basically got NSW Trains covering both the former CountryLink network, plus the inner-city trains. Our focus is really on bedding in those processes for the foreseeable future. Our focus is also on some long-term planning. As I said, the country rail services but electrification et cetera for areas that are not electrified is not a high priority within the Long Term Master Plan at the moment.

The Hon. PAUL GREEN: Given an aim is to move our ageing population in the future, I would have thought trains would be the first major step to do that. The South Coast line is electrified but it is very unreliable because it has many problems. The South Coast is one of the highest overnight destinations outside Sydney. How does the department expect to manage those types of issues because that line seems to be having many maintenance issues? It is very hard to build regional economies through the train corridor when the line is constantly down and buses have to be sent instead.

Mr REARDON: In terms of service reform that is why we are going about what we are going about in terms of Sydney Trains and NSW Trains establishment and putting a far greater focus on customer experience in both those areas and knowing the customer base a lot better. We start at that and walk in the shoes of the customer and then bring in down through how we price and how we do ticketing. So it is customer experience first and then make the support functions work for the customer, potentially not the other way around, so good information.

The Hon. PAUL GREEN: Customer experience seems they go to the train station and catch a bus, for what it is worth. A question was asked yesterday in the House about the Cowra train line. Recently I was there and a bypass was mentioned and an attempt to get the train up and going for freight mainly. Given that the manufacturing in that area is slowly decreasing, what is the possibility of tacking on passenger carriages to freight trains? Is there any talk about that?

Mr REARDON: If I could start at the end, you might have to ask those who might express an interest in what we have put out to the market. We put out to the market the Cowra line for services. Our working assumption is that those want to deliver freight in that corridor will respond. But when we put out an expression of interest it is up to the market to respond in kind. As I say, our work to date has indicated that that is a freight corridor somewhat but that is why we put out expressions of interest to see what the market might respond with. When we get that response we will see where we are. My expectation is that it will be somewhat freight-based but it is up to the market.

The Hon. PAUL GREEN: I have a lack of knowledge in this area but is it possible to attach passenger carriages to freight trains? If an expression of interest said they would be happy to tack on a couple of passenger carriages, given the need in the area, technically is it a possibility?

Mr REARDON: I will let Rob make a couple of comments on rolling stock and operations. We would accept any bids that come in.

Mr MASON: I am not personally aware of any railway in the world which does that, but I am not saying one does not. I have never seen it but I have never actually looked for it either. It is one of those things, that we will see what the market says. But the crash worthiness would be a very significant concern. Putting a heavy loaded freight train intermixed with lightish, in comparison, passenger carriages, the crash worthiness would be very considerable concern I would have thought. You might have to have some very heavily built passenger carriages. But certainly I have never heard of it before, but let us see what they come up with.

Mr REARDON: From the broader perspective you would obviously look at anything on its merits. It would have to go through a significant safety regulatory response with the National Regulator, et cetera.

The Hon. JAN BARHAM: My interest is in regional transport issues. With your master plan, I am surprised that there is not a dedicated section on tourism with a view to the opportunities that are available. I am from the North Coast. Over a decade ago we lost our Casino to Murwillumbah train, and there are references here to the investigation report and references to the importance of tourism, but no recognition of the opportunities. I wonder if you can elaborate a bit on how you are looking at it when your master plan does not really give you the trigger to look at these things in any sort of expansive way and look at the options.

Mr REARDON: Sure. Our master plan responds to what our objectives are as an organisation to deliver safe and efficient transport for the people of New South Wales. Our primary objective is to move customers. As I said before our customers are a large base of commuters in urban areas. More long-distance customers, who are travelling to work or for health and education in regional areas. Tourists are also in our customer base, of course. In terms of developing that master plan, there was certainly lots of interaction with the tourist community in terms of how we sought feedback and received feedback.

The Hon. JAN BARHAM: But no recognition that you had been lobbied or that the Government has been lobbied for some time about returning the rail and providing those opportunities for rail tourism on the North Coast—no recognition of that, despite your saying that you have a strong involvement, communication and representation with regional tourism organisations [RTOs]. That is not identified here. I question too how you can be aware of customers when you do not have a service that meets customer demands or considers the potential customers?

Mr REARDON: If your question is specifically related to the North Coast and the Casino-Murwillumbah line—

The Hon. JAN BARHAM: Yes.

Mr REARDON: In terms of that, we did indicate we would do a feasibility. We have undertaken that feasibility report. We have basically said we need to look at alternative forms of transport in the area and that is what we are doing right now. If it is best served by alternative forms of transport, that is what we will start looking at.

The Hon. JAN BARHAM: That investigation report has been criticised broadly for not looking outside the box. Customers are people who currently use a service that is deemed to be lacking in its potential and opportunity, so then you are gauging something against a flawed model. What I am asking is this: Do you have the scope or are you considering looking at potential? Rail travel all around the world is regarded highly. We had a submission from the Youth Hostels Association, and I will just quote them: "Firstly, the increased price of fuel and slow improvement to regional roads. Secondly, the poor condition of CountryLink and a lack of investment in rail." These are the impacts of why regional growth is failing. They referred in the hearing to the value of a regional rail trail or rail trip—and I am drawing on the North Coast experience too—and how that also supports the local community as well as the cycling adventure tourism as well, which CountryLink has problems with in relation to its bus service in providing opportunities to transport people with bikes. All I am asking is this: Is there scope for investigation and outside-the-box thinking in relation to your master plan?

Mr REARDON: Sure. The short answer is yes, and it is occurring. There are a few things. The Visitor Economy Taskforce report has said to look at New South Wales-Queensland cross-border matters and look at all forms of transport in that area, and that is exactly what we are doing. We are currently directly engaged with Queensland on train, on bus, on taxi, on driver licensing and on safety regulation for freight.

The Hon. JAN BARHAM: What is that forum? Is that a recognised forum?

Mr REARDON: That is two jurisdictions bilaterally getting on with things.

The Hon. JAN BARHAM: No, no. How are you doing that?

Mr REARDON: Transport department to transport department.

The Hon. JAN BARHAM: Is there reporting, or some process where the community gets to engage or comment on that?

Mr REARDON: The Visitor Economy Taskforce asks for us to go and investigate certain matters. I can go through them. Both governments basically said there are certain things that are concerning us both. At ministerial council level, our Minister for Roads and Ports said, "What are we doing about graduated licensing for young people through L-plate, P-plate through to the full licence?" One of the stumbling issues for Queensland has been about how their learner-drivers are treated differently to ours once they cross the border. We, as at 1 July 2013, resolved that matter where there is reciprocity now between the two.

The Hon. JAN BARHAM: I am just really keen on the tourism-related stuff.

Mr REARDON: I believe I am responding to the question you have asked. There is now basically a flow for those younger people to flow across the border without the issues that they have had raised. They have got reciprocity about how they can drive around that rather busy corridor that just happens to have a border in the middle of it. On bus services, we are working with the Queensland Government about what we can do to improve services across the border because it is raised as an issue with us. On train services between Sydney and Brisbane, the Government is looking at the new train timetable so we need to take that into account. Both cities have peak issues and we need to look at what we can do about peak issues at either end while still ensuring the customer experience.

On your point more locally about rail trails, the Government is committed to having a look at that. Again it is a similar conversation we have had about the Cowra railway line. It is about having a look at these things but also understanding what a market out there might want to do with these things. That is one of the issues—understanding if there is a market out there to look at these things.

The Hon. JAN BARHAM: Does that mean it will be considered in the Regional Transport Plan?

Mr REARDON: That matter?

The Hon. JAN BARHAM: Tourism as an issue—potential. Nowhere do I see potential considered. That is the point I am making—the opportunities. It is in the regional plan, yes?

Mr REARDON: I take your point. The language is that we do as much as we do for efficient and safe transport. I understand the question you are asking but our primary role is to deliver efficient and safe transport across each of the modes. I did not even get to taxis and I can talk about those as well. But that is what we are there for. Who the customers are—tourists?—if it is the primary demand, then of course we take it into account.

The Hon. JAN BARHAM: Okay, but it also is about how you measure whether or not you are being efficient and effective.

Mr REARDON: Yes.

The Hon. JAN BARHAM: That point is the one I am say has been questioned over the last decade with relation to consideration of the return of the Casino to Murwillumbah line. I will look out for it in the regional plan. Thank you.

Mr SCOT MacDONALD: I address my first question to Mr Mason. I am just curious—and Mr Whan alluded to it—about the Parkes event. Do you consider packages? Do you do accommodation, event tickets and the railway fare as a package? Is that something that you pursue? I feel a commercial coming on.

Mr MASON: I can table five brochures where what was CountryLink and now NSW TrainLink have packages where we work with the Broken Hill tourist industry and with the hotels there to put forward packages that people buy through our travel centres. Those are very much a part of our business mode. Very much part of our business is supporting tourism. We are not the people who put the package together but we advertise that way and sell them that way to our customers.

Documents tabled.

Mr SCOT MacDONALD: People come to you and say, "Can we throw the railway part of it into a package?"

Mr MASON: And vice-versa; we do that with them as well. But from the customers' point of view, they can buy it at a travel centre or they can phone our call centre as well.

Mr SCOT MacDONALD: Right.

Mr MASON: And that is a fair part of our business for us.

Mr SCOT MacDONALD: In that material you tabled is the Tamworth Country Music Festival. I have been on that train from Armidale to Sydney where it was wall-to-wall big hats, big belts and big guitars. It was pretty scary.

Mr MASON: The brochures would be for all-year round. That is for general tourists, so the one-offs are very much their specials. The Elvis one is going out very soon for January to their one-offs. They are not packaged in that way in the brochures.

Mr SCOT MacDONALD: Right.

Mr MASON: But certainly the Elvis is normally sold out within five minutes of going on the market.

Mr SCOT MacDONALD: I will finish my questions for you on this one before I move to Mr Reardon. The Parkes thing is obviously big volume and successful. Do you measure those to see that they are financially viable for you and what sort of profit they return?

Mr MASON: The Parkes Elvis Express? Is that your question?

Mr SCOT MacDONALD: Yes.

Mr MASON: Clearly we get huge amounts of publicity from that for our brand. We have every single television studio down at Central station on that January morning and we have huge numbers of Elvises and Priscillas there. For us it is as much an opportunity to sell our brand as anything else. I suspect the pricing is something we could look at, but we do not want to put the market off. They are a very enthusiastic group of people; they are very lively, as you have seen on television—always very lively.

Mr SCOT MacDONALD: So you work out in your mind later on that the bottom line is good, that it is financially viable?

Mr MASON: The free advertising we get from Elvis, or the other day 2UE gave us a 15-minute wrap in the evening for the Dubbo zoo trip—it is very good free advertising for us.

Mr SCOT MacDONALD: Mr Reardon, you talked earlier about the licensed air services for those ports where there is only one service. Is tourism part of the consideration of the licence? When you take applications for a licence and talk to them about the licence, is tourism a subject that comes up?

Mr REARDON: The short answer is yes. What we need to do under the Passenger Transport Act and the Air Transport Act is basically consider the broader customer market and ensure continuity of a service, so it

is in language that it is efficient and safe transport, but a lot of those destinations are tourist based. You have Lord Howe Island, you have Broken Hill and you have Cooma, so in terms of those air licence requests coming forward, their customer base is not disaggregated to us, but our working assumption is that clearly a lot of their market will be tourist based.

Mr SCOT MacDONALD: I have had representations—as I am sure other people around this table have—about the Moree air service, about cancellations, late service and that sort of thing. Do you review or audit that? Do you review a licence six months, or a year or whatever, after you have given it? I would also like to leave a question on notice, which is: Are you satisfied with the carrier and their service to Moree?

Mr REARDON: I will start with where we have gone with the last licence round. We have a licence round process that started in 2012. Those licences were announced in late 2012 and issued in March 2013, so there are licences now to 14 destinations, as I indicated, in New South Wales. The process we went through was the same as any other rigorous procurement process. We went through an expression of interest, then a detailed bids process. We ended up with a lot of incumbents around the State with their licences. In terms of Moree there was a change of licence holder. The value proposition put forward is simple: service continuity best placed for the local community. In terms of your question about cancellation of services, the requirement of the licence can have localised licence conditions. I am not going to disclose commercial information, but simply that we can impose a licence condition where we see fit, and certainly we monitor passenger statistics on a quarterly basis and we make those readily available.

If there is a matter that we need to monitor, we will, and the short answer is that we do. We are where we are in terms of this current licence phase and we will continue to monitor those matters. In terms of the broader procurement, we have asked for a range of further, more stringent information than we had in the past in terms of making a valid bid for that process, so the procurement is quite rigorous in that regard. As I said, it was the same as any other type of procurement, the only difference being that we are providing a licence instrument, we are not commercially involved with the organisations; we are providing certainty between A and B, so country people can get to Kingsford Smith and vice versa basically. As I said, we continue to monitor those services fairly closely.

Mr SCOT MacDONALD: Have I left you with a question on notice that you feel you can respond to, particularly about the Moree service?

Mr REARDON: I do not wish to express an opinion on any of the services. The range of services they are offering they are delivering at the moment and we monitor the level of cancellations, and that is where I will leave it.

CHAIR: We have referred to the transport plan quite a lot. Are you happy for that to be tabled for the inquiry?

Mr REARDON: The Long Term Transport Master Plan, absolutely, and any of the other subordinate plans that have already been made public, of which there are several, we can furnish to the inquiry.

CHAIR: Looking at the plan, there is a section on regional transport, and I know the focus is on the Central Coast, Newcastle and Wollongong, which is very good because those areas certainly need it. Looking at other areas, particularly rural and country areas, and using the example of Ballina, people can fly to Ballina, but to get to Casino or Lismore, unless they are driving themselves, transport can be more of a challenge. Can you explain the process of engaging with the local communities, whether it is RTOs, to look at transport needs to get tourists out of major cities?

Mr REARDON: Sure, though the Long Term Transport Master Plan is certainly New South Wales wide. It deliberately is a New South Wales-wide plan, so region by region will put out those subsequent plans. In terms of the transport planning and demand analysis, it is the same as anything else in our business, which is that if there is a demand we shall supply it and meet that demand. Where there is a latent demand, and we believe there is a demand, we will go and look at it a lot further, but latent demand needs to become manifest. It is like the Cowra line discussion we just had. Let the market come back to us and tell us that we should increase capacity or provide capacity into an area.

CHAIR: What is the process for that? Are you dependent on local government or local business, or what is that process?

Mr REARDON: That is a technical transport planning answer. The customer answer is that we rely on all of the above. We rely on the industry and direct customer, local government feedback and industry associations providing us feedback. As I said, they provided fairly full feedback on the long term master plan and we are relying on a lot of those submissions—and there were a lot. There was a lot of rich information that people provided us during the draft phase to turn into a final plan, so we have used that and continue to use what people have told us in regional areas to guide what our decision making is in localised service delivery. If I could just add to that, in terms of any regional area, we have hundreds of bus operators out there right now delivering services every day in country towns and rural and regional areas under two contract regimes.

A lot of those rural and regional ones deliver school students under a school student transport scheme and we deliver country town services where there is again a demand warrant to run those services, so there is a lot of transport on a daily basis in rural and regional New South Wales that gets switched on. Added to that, taxi services and taxi licences, which we regulate, as you know, continue to be made available and we continue to do an annual licence release process. We recently did our latest licence release on taxis and we also froze fares for country areas in terms of taxi fares for the year ahead, so we are trying to strike the right balance in terms of what is best customer outcome and ensuring that there is supply in terms of those. Rob has indicated where we are on New South Wales trains; I have just filled in the air, bus and taxi services in those rural and regional areas.

CHAIR: You said that a lot of information has come in. Did you find any areas where they were not as proactive in coming forward and, if so, do you think there were any challenges preventing them? Was it that they were not aware or they just did not see that there was anything to raise?

Mr REARDON: Quite possibly. We did go through various forms. There was every type of social media feedback. We were out in the communities asking for them to come to fairly significant forums, and they did show up in quite significant numbers. They wrote down what they thought and they sent it in to us. If there are any views out there that people feel they have not expressed in local representation, we continue to receive those. As a portfolio, we continually receive a lot of localised representations on various matters. If there are any in a localised area that people do not believe have been picked up, we are always open to hear from people and we certainly do hear from people quite a lot.

CHAIR: I have one last question. It relates to rest stops and your role in planning those and working with the local community as to locations. Is there an adequate number or is that being reviewed.

Mr REARDON: Can I just clarify? Are you talking about heavy-vehicle rest areas?

CHAIR: I am talking about heavy-vehicle rest areas which are then being utilised by others. We have found through the inquiry that a lot of these areas are being utilised by campervans and various others as stop points.

Mr REARDON: Could I clarify again: are you asking whether these areas are adequate for caravans or for heavy vehicles?

CHAIR: Caravans.

Mr REARDON: I will just go to heavy vehicles quickly. In terms of rest areas, we are going to have a significant increase in freight in New South Wales, as we are for the rest of the country. That will require us carefully working through how many rest areas we need to ensure that there is adequate work and rest along those routes. If they are being used by campervans around the State—and they certainly are—I think you will find that the rest area is somewhat freight- or heavy vehicle-led. I will leave it up to the committee to consider issues of other forms of rest areas that may arise. I know that we all use them from time to time. When we are travelling and we are told to "stop, revive, survive" after two hours those places are where we decide to stop, a lot of the time. In terms of whether they are adequate, people will always say that there is a need for more around the State but you would probably have to be fairly specific about where you want them—as per the committee's terms of reference—on routes to key tourist destinations. If a person decided not to take Rob's good service from Sydney to Broken Hill but to drive it, we would need to ensure that there are adequate driving rest areas all the way from here to Broken Hill, for example.

CHAIR: Thank you very much. Any questions that you have taken on notice will require responses within 21 days. Thank you again for appearing before the committee.

(The witnesses withdrew)

(Short adjournment)

ROB POLLOCK, Chairman, Regional Development Australia, Far South Coast, and member of South Coast Regional Tourism Organisation, sworn and examined:

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

Mr POLLOCK: I am happy to take questions. I think tourism is a very wide-ranging topic, and it means different things to different people. It is glibly described. There are lots of wonderful targets around the place but you need road maps to achieve targets and I think the road maps are currently inadequate.

The Hon. STEVE WHAN: Do you want to start by expanding on that comment. Do you mean that the current planning is inadequate for tourism? Is that what are you suggesting? Are you suggesting that the current direction of planning for tourism is inadequate?

Mr POLLOCK: I think it is a bit wider. There are some wonderful targets but you have to look at the areas individually because of the variety in New South Wales. For instance, on the South Coast we may say we need 20,000 jobs or X more homes. Those are lovely aspirations, but if you look at the area south of Nowra you find that there is very little widely-based industry. Businesses are very much mum-and-dad operations, regardless of whether they are in primary production, tourism or manufacturing. They are small organisations, so you need to look at how you are going to achieve things and what the impediments are.

For instance the rail stops at Nowra, and the likelihood of that ever changing is zip. So, if everything is coming by road—including all of the freight, whether it is from Canberra, Sydney, Melbourne or beyond—is that road network adequate? The answer is that it is clearly not adequate because of the pressure, particularly at peak times. The Hon. Paul Green would be well aware of the current situation in Nowra, which will be improved immeasurably some time, we hope, in the next three to five months. But at the moment you would not want to be going through there after 2 o'clock on a Friday, because you would get a long, slow look at Nowra. That sort of thing takes a lot of the joy of travelling somewhere away from people. So it is a major disincentive.

If you look at the King's Highway, with which the Hon. Steven Whan would be eminently familiar, you would find that it is inadequate in terms of the volume it takes at peak times. So infrastructure becomes terribly important. How can you expand that infrastructure? Obviously you can do that through good planning. I recognise that the Berry bypass and other things will make it easier, but south of Nowra we need some major work on roads. I am sure you have heard about roads ad nauseam.

Going away from roads, because I am sure you have heard about that ad nauseam, the change in State government philosophy over the past five years plus about the use of Crown lands and the expansion of the types of opportunities that can be pursued on those Crown lands in key areas, like marinas, has been a terrific improvement to the handbrake that was applied for the 20 years or so prior to that. For some of those, particularly Batemans Bay, there has been a major contract let for the marina and if there have been two or three grains of sand moved over the past five years, I would be surprised. You need to send signals. You need people who take long-term investment positions, whether they be public or private, to give other investors the confidence to take similar positions in those communities, particularly the smaller types of communities, so there are not impediments.

Shell Cove will be terrific when it is finally up and running, but at the moment there is a hell of a lot of money in boats—those larger than row boats—that people use in their leisure time. At the moment, they can go from Sydney, maybe Wollongong, Shell Cove definitely, but then you have got an awfully long run to Eden, and the South Coast weather, at times, is inclement. From a safety perspective there need to be places where people can bolt to that do not involve potentially risky entry situations, like Narooma bar, if you like, and Merimbula bar. They are not exactly kind.

The Hon. STEVE WHAN: Any particular areas, such as, Bermagui?

Mr POLLOCK: At the moment there are private investors working with Government to set up infrastructure on a network basis. I know they have had discussions with Andrew Stoner's office and with Brad Hazzard's office. It is not a typical approach. I think that needs to be encouraged. There is potential for major international investment. Clearly, the commitment from the State Government and the Federal Government to expand the port of Eden is a major step forward. That started from an initiative from the South Coast tourism and Bega Valley tourism 15 years ago.

The Hon. STEVE WHAN: I will come back to that if I have time. We have had a number of submissions and quite a lot of debate about holiday rentals, holiday letting. That is really the backbone for a lot of the tourism on the South Coast. Will you comment on its regulation? Recognising that you have a long history in local government, do you feel it should be further regulated or whether there are any challenges for local government?

Mr POLLOCK: I come very much from a laissez-faire background. I think you would be absolutely foolhardy to make regulation that you cannot enforce. If you are going to have people contravening laws on a consistent and ongoing basis, it is bad law or bad regulation. I would tend to think that not just the South Coast but the whole of New South Wales and Victoria and the rest of Australia has been built on a culture of holiday rentals from private homes. A lot of folk who are not necessarily wealthy use those holiday rentals to cover the overheads—rates and so on—and they use them at off-peak times themselves. It caters for an enormous percentage of our holiday letting, and straight-out enjoyment of the holiday scenario in New South Wales, not just the South Coast—but it is particularly important to the South Coast.

There are clearly situations of abuse and I think people more clever than me need to perhaps work out how you accommodate that. But to colloquially slam the bags on the whole show for the sake of one or two or a very small percentage of people who do not take community responsibility or due care for the amenity of their neighbours I think would be a huge mistake. I think culturally it is part of Australia's development and part of their rights and any attempt to regulate it will fail. I can tell you that we have enough trouble keeping dogs off the streets with rangers and things, let alone running around knocking on doors saying, "Are you renting? You are making too much noise." There are other means of controlling it and I think it would be a huge mistake to attempt it.

The Hon. STEVE WHAN: In submissions to the Committee there has been considerable discussion about special tourism rates on tourism-related businesses. Has that been looked at in your region? What is your view on that?

Mr POLLOCK: I worked on the Local Government tourism task force—I might be described as a dissenting voice because that was seen as a panacea. I think it is tripe to tell you the truth. There are some areas that have a differential rate for tourism and it is well directed et cetera but there are great difficulties in servicing visiting populations in peak times anywhere, and particularly along the coast. So there is an imbalance in the cost of infrastructure necessary compared to what is needed for, say, 85 per cent of the year. We have had discussions—when I say "we", I have been a Eurobodalla councillor since 1987—we have a commercial rate and I think it is adequate. But if you are going to involve yourself in community consultation about a special rate for tourism I can tell you what the results of that community consultation will be: they will all reject it. You might get 10 per cent or 15 per cent of worldly, wise people say it is a good idea but the overwhelming majority will not back it.

If you are going to introduce any form of rating, in terms of supporting tourism and/or the needs of the tourism industry, I would see a very minor alteration to the structure of the general rate as the only possible way to do it in a fair and equitable way. A lot of the local population may reject or object to pressures in peak holiday time but they do not realise that their shopping centre may not be of the scale that they enjoy for 52 weeks of the year if it were not for the influx of folk that come in; they would not have perhaps the degree of improvement to the roads—being aware of what I said earlier—about the place; and the public transport would be of a spasmodic nature. They would not have those things if it was not for the additional pressure and visitation that we get. There would not be the need for the regional airport services; maybe not so much for the tourists but the people that service the tourism operators—the engineers or the legal folk, they are the folk that dominate the passenger lists in regional air travel. Differential rates were pursued in the local government task force by people who I do not believe had significant exposure in local government to the practical implementation and the likelihood of it succeeding.

The Hon. STEVE WHAN: Some cruise ships have been to port of Eden but if they were to become more regular what would be needed to provide onshore excursions and support to make people want to get off their cruise ships at Eden and do something in the local community? What sort of approach would be needed to plan and work that out?

Mr POLLOCK: Coordinated passenger movement obviously and buses are obviously the most effective way. They have been very keen to travel as far as Tilba, which by bus would be 2½ hours roughly, maybe not quite.

The Hon. STEVE WHAN: Two and a half hours return?

Mr POLLOCK: It would be a couple, in round terms. I have done a bit of cruising around the world. Plenty of people are happy to get off a boat for a long period of time, even overnight. They have got off overnight in Queenstown on cruises I have been on in New Zealand and then caught up with the boat further on. So it is not a matter of economics; plenty of people want the experience. The beauty of the South Coast situation is that it is unspoiled, it is different. It does not matter where you go in the world a city is a city; albeit it may have some fantastic and interesting aspects. The Australian bush to international people is unbelievable. They just do not see that type of thing. We take it for granted because we see it every day, but it is a great drawcard. They are looking at coming into the port of Eden because of the diversity that it gives those travellers.

Clearly one of the major attractions that people are looking for is Indigenous cultural activity but there is difficulty in making Indigenous experience available on a regular and reliable basis. There are some very good Indigenous products and potential for Indigenous product on the South Coast, but getting it up on a reliable and regular basis is not easy. You can turn up with 16 international journalists to do a "famil" and there is no appearance Your Worship, and that is disappointing. There is a fantastic piece of hard infrastructure at Wallaga Lake but that has been closed for 12 years I suppose, and it represents a very large investment.

The Hon. STEVE WHAN: And Jigamy Farm is right near.

Mr POLLOCK: Yes. That needs to be really worked on. It is not a unique problem to the South Coast. I have done walking tours up Gulaga or Mount Dromedary where they are currently filming *River Cottage*, which has been a huge boost for the South Coast. It is absolutely awesome. You get the feeling about you—mystical is probably not the right word—but you really do get an appreciation of the wonder of Aboriginal or Indigenous culture. If you could produce that on a regular basis the field would just grow. There are people who have got the ability but it is the reliability that is the difficulty with that.

It will be the whole of the South Coast. It will not just be around Eden itself, but well beyond. For example, there are people who are happy to do a bus trip to Canberra from Eden to have a look. It would be of enormous impetus and, of course, with the other work, with the attenuation that needs to go with it, it opens up the possibility for a really descent marina. A marina that could accommodate significant international yachting—which is what they call the really big motor things that are almost like a small ship—and the servicing of the oil rigs is a far more economic proposition out of Eden than it is where they are currently doing most of the servicing out of Geelong and Melbourne.

The Hon. JAN BARHAM: Returning to Aboriginal tourism. Are you engaged with the State's current strategy for Aboriginal tourism? Are you working cooperatively with any local groups to try and enhance that product development?

Mr POLLOCK: We have over many years.

The Hon. JAN BARHAM: What about under the new Government's current strategy?

Mr POLLOCK: Yes. I have spoken to some of the leaders—not of late but within the last 18 months—when they have addressed various bodies that I am associated with. I think that is fine. It is getting it into a manageable local situation that is the difficulty. There is an awful lot of work going on from not just a tourism point of view but from a social perspective as well and an education perspective, and all of those are vital to make this work.

The Hon. PAUL GREEN: Booderee National Park is a classic success where the Aboriginal—

Mr POLLOCK: It has matured so much.

The Hon. PAUL GREEN: It has matured but they also pulled off the Qantas award—our highest award for tourism. They pulled it off and I think we get half a million visitors a year into the Booderee National Park. So there are some really good success stories out there.

Mr POLLOCK: There are. I will qualify what I said in terms of further south along the coast: the potential is sensational, and it has been scratched. It has happened a bit but it can happen so much more.

The Hon. JAN BARHAM: What I am trying to establish is whether or not the Government's current program of trying to enhance and provide the training and support to get reliable product development there is working or whether it might need to be more nuanced in some of those regional areas or whether there is greater support needed.

Mr POLLOCK: From a personal perspective I am not closely enough associated to give you an honest personal opinion. My impression is that there needs to be a greater degree of liaison between all levels—State and local—to take this in.

The Hon. JAN BARHAM: That was my point: to understand whether or not that cooperation is happening so that there is that support from the local tourism group working with local custodians and trying to marry up what is needed and what is possible and probable with the training or support.

Mr POLLOCK: I think the issues are very clear and the opportunities are very clear. It is a matter of putting together programs on a regular and reliable basis, which certainly involves—

The Hon. JAN BARHAM: I get what you are saying and that is why I am asking about the strategy, because that is what the strategy is aiming at.

Mr POLLOCK: —training at TAFE and getting the people involved from point A to point B for that training or getting the training to them in a meaningful manner.

The Hon. JAN BARHAM: Infrastructure support, you have referred to the marina opportunities. Are there any other distinct opportunities that are needed down there?

Mr POLLOCK: I think we underutilise national parks to a huge degree. I think that there needs to be a more lateral approach by National Parks in terms of what commercial opportunities might be available. It is all very well to have beautiful unspoiled areas—both my parents are dead, but when I first moved to the South Coast 30 years ago my parents were not necessarily the type—and they were not crippled by any means—that could go hiking up a mountain. You need to be able to put people into accessible situations so they can then enjoy it. That may well, and I think it should, involve the potential for overnight stay.

The Hon. JAN BARHAM: In the national parks themselves you mean?

Mr POLLOCK: Absolutely, yes.

The Hon. JAN BARHAM: Do you as an organisation have input into the plans of management for your local national parks?

Mr POLLOCK: Yes.

The Hon. JAN BARHAM: And that is the sort of thing that you have put forward?

Mr POLLOCK: Yes, and we have identified some major, what we see as, walking opportunities: to develop walks along the Clyde River and linking up the Shoalhaven and the Eurobodalla.

The Hon. JAN BARHAM: What about shooting in national parks? Do you think that would have any particular impact on the tourism visitation?

Mr POLLOCK: I think there is the likelihood that it would make some people uneasy, the same as it probably makes farmers uneasy having dogs come out of national parks and savage their lambs and their calves. I am not going to argue whether they should or should not be shooting in national parks or national forests but I do not think there have been too many deaths in forests from hunting. But as to how it is regulated and how it is organised, that is up to cleverer people than me. I do not know the right end of a gun from another and I do not want to.

The Hon. JAN BARHAM: Caravan parks in your area, how important are they in the tourism sector?

Mr POLLOCK: Absolutely vital.

The Hon. JAN BARHAM: Are they Crown caravan parks, private or council-run?

Mr POLLOCK: All three. The way I see transientness, it is not just caravan parks. People do not want just the simple country cottage or old aluminium caravan anymore; they want much better than that—and that applies to motels too. If people have not moved with the current taste or demands they are then left behind, and there is a very large number of those types of situations—and that would not be restricted to the South Coast. I was listening with interest to the last gentleman that addressed you. Rest stops—you run across this continual debate from the Caravan and Camping Association as against the caravan and camping industry.

The association wants people to be able to stay all over the joint for nothing and have dump points and all the rest of it but the reality is they contribute very little to the local economy in that process as distinct from the people that have got a major investment—whether it be local government or private—in providing those facilities and security. So I am very much inclined to back the caravan park. I was also on the board of the Tourism Industry Council for about five years. That was a fairly consistent argument that used to come up. But I think the growth and experience of the caravan parks is vital and it is essential that they get better.

The Hon. PAUL GREEN: Thank you for the compliments of Nowra and the Shoalhaven. But you are onto it: Further south there are all sorts of challenges, and this is about regional and rural areas. You have had how many years in tourism?

Mr POLLOCK: Since 1983. I was a restaurateur for 20 years.

The Hon. PAUL GREEN: And you have seen a lot of different things in that time, have you not?

Mr POLLOCK: Yes.

The Hon. PAUL GREEN: I am just going to give you an open cheque book to write a couple of cheques for how we could create opportunities for tourism—not just on the South Coast. If you were going to change anything, what would you change to increase the opportunities that we have for tourism?

Mr POLLOCK: I would certainly make national parks more accessible and look at the commercial opportunities that exist because of the sheer volume of national park within New South Wales. For instance, 78 per cent of the Eurobodalla is forests and national park, so it does not leave too much else around the place. I would certainly look to free up processes that may be involved around extending wharves. I am not talking marinas and I am not talking major type situations, but an extension of 10 metres on a wharf might make a hell of a difference to the ability of the number of boats that could tie up and load and unload, whether it be fishing—I am not talking commercial boating so much. Some areas have grown so much over the last 10 and 20 years that some of those facilities have not grown. The recreational fishing trusts are good; they are at least lateral in their thinking as to how some of that money is applied—boat ramps and facilities around boat ramps.

The Hon. PAUL GREEN: Can I just go back to this, and the Hon. Steve Whan is aware of this, probably one of the biggest slices that we are missing out on is the cruise ship opportunities on the east coast of New South Wales. How do you process that? Where are the opportunities if you were to establish something?

Mr POLLOCK: You have got a variety of experiences but you have got to look at the size of the ships involved and the ferrying of passengers. You are not going to get a lot off in a hurry if you are tendering them. The infrastructure and ability of most coastal villages or towns to host effectively and give an array of experiences to the folk, whether it be golf courses or shopping or eating, I think most of the towns are inadequately prepared for that. Most of them you cannot get them off onto the port itself. That is the way you get everybody off in a hurry. Once you are tendering—and, again, I have had quite some experience at this—it is all right but in terms of having an impact on New South Wales and spending a buck onshore you need to get them off in a hurry and give them a chance to spend money. Most of them have a lot of dough and we are not giving them enough chances to spend it.

The Hon. PAUL GREEN: If a cheque came your way for infrastructure development, where would you spend it?

Mr POLLOCK: I would certainly start on the highway from Nowra down, without a shadow of a doubt. That would make the journey—

The Hon. PAUL GREEN: Which highway is that?

Mr POLLOCK: Princes Highway and highway 51, Kings Highway. They are the two links that I am talking about. If the Eden facility leads to the expansion that we are all hoping for then I think it will demand improvements both north and south on the Princes Highway, because there will be a lot of product coming in from Victoria as well.

The Hon. PAUL GREEN: I am sure you wonder about the impact of these opportunities. What sort of impact will this have on job creation and training?

Mr POLLOCK: It will be enormous. We already have the Eden Marine High School, which runs some of the most progressive and relevant courses on this issue. Eden is probably half a pace off being on its knees at the moment so this is very important. Those types of opportunities are key, because we do not have base industry and base manufacturing. Even the farming sector, which used to soak up lots of people, is not employing lots of people any more. The only farms surviving today are those which have grown in scale and mechanisation; they are the only ones that can compete. I have to say, on a tangential point, that I do not understand the tendering—and this is probably more a federal issue—of all the private training arrangements when we have a TAFE network that has been well resourced and in most cases is well set up in terms of capital and equipment.

To give you an example, Moruya High School has been given \$1 million to set up a trade skills centre, and it is only about 150 or 200 metres down the road to the local TAFE. To me, that seems crazy. Sure, it is nice for Moruya High School, but we should invest somewhere where we can improve the range of courses. Probably more than half of that infrastructure already exists and is not being utilised 100 per cent of the time. I think the lack of liaison in training is awful. Major contracts are given to countrywide bodies, but we are not servicing our local regional communities anywhere near as well as perhaps you think they are.

The Hon. PAUL GREEN: That is one of my questions—given your experience, you know the skills base serving the tourism industry is very important; and I am glad you have touched on this—are you concerned that if we go down the path of privatising TAFE then in rural and regional areas we just will not have the capacity to train these kids to go into the hospitality and tourism industry?

Mr POLLOCK: I think we are already suffering from the changes in the structure and funding of TAFE in that regard. If you are going to develop centres of excellence for training then you need to be able to retain good trainers and good facilities, and it needs recognition from within your own community that that is where you should go—not necessarily that if you live at Bermagui then you have to go to TAFE at Ryde if you are going to do any good in hospitality, or to Reid CIT in the ACT. I think we undersell the local training and facilities far too much. We have put a lot of money into them and then we leave them high and dry. I cannot quite work that out, and I have had a fair bit of experience with TAFE.

Mr SCOT MacDONALD: A lot of my questions have been covered already by other people, but I would like to go to the issue of fisheries. Have the marine parks and the changes we have had announced recently had an impact on tourism and recreational fishing?

Mr POLLOCK: I am very keen fisherman, including rock fishing—and I have survived so far. If I have a mate with a boat then I will go out whenever I can. Personally I think the principle of marine parks is fine but I think the science has been lacking. I think the opening of being able to fish off the foreshore was a very sensible move, because I do not think the take of those fishing off foreshores is very much.

Mr SCOT MacDONALD: Have you seen a pickup in activity of people fishing?

Mr POLLOCK: I think the fishing results from a recreational perspective are better. I think there needs to be a better examination of marine parks and/or sanctuaries in terms of when fish spawn—I think you would find recreational fishers would be very supportive if you wanted to close the fisheries at that time; it just makes sense because it means that there will be more fish. But, for example, what can happen is that you have a creek protected as a sanctuary zone but then the lake that it flows into is not so fishers can go and set their nets

100 or 200 metres off the mouth of that creek—to me that is crazy; and that is what happens. Some areas of some rivers are closed to recreational fishing, but then certain people can go and put nets across the width of the river half a kilometre or so downstream. That seems to me to be fairly self-defeating.

Mr SCOT MacDONALD: As a more macro question, do you see recreational fishing as an important growth area for tourism in your area in the future?

Mr POLLOCK: Yes, it is vital.

Mr SCOT MacDONALD: I think the Hon. Jan Barham was talking about recreational vehicles [RVs]. This is a difficult area, and you do get polar views. Some people want to travel the world for nothing and use facilities as a dumping point. Is there any scope for looking at those Crown lands and saying that maybe they need a multiple layer of users—from the high end where you get hot showers and a good spot to a lower value where, in the same park but for very little cost, you might be able to park but you get very few services? That might help stop illegal parking or casual parking.

Mr POLLOCK: I think that is worth investigating. Exactly how you would implement it and what kind of cost structure you could put around it, I am not sure; but I think it is worthy of investigation.

Mr SCOT MacDONALD: I think your point about some of those parks being left behind is a good point. You do see some ancient-looking caravans and facilities in some and they are a bit of a blight.

Mr POLLOCK: Of course some of them are catering for folk who are not fortunate enough to be able to live in different circumstances. So there is a social responsibility there too.

Mr SCOT MacDONALD: I think Mr Green asked you about what sort of support the New South Wales Government could give to councils to help with the significant cost of hosting a large number of visitors. Is there anything else you want to add there? Is the New South Wales Government doing what it should be doing in terms of planning? Was there any other support you had in mind there in your submission?

Mr POLLOCK: There are a couple of things to recognise—certainly the support for regional tourism organisations from the Government and the degree of autonomy that the development of those plans has created. There is a definite problem with getting marketing plans formally ticked off on in a timely manner. We know what we want to do and we know when we want to be in the market with those programs. I would say that consistently the timing has been thwarted by the processes that have to be observed by Destination NSW. You can miss the boat as a result, and that is frustrating. It is a combination of Destination NSW and the particular advertising agencies they are using that control the sign-off.

Mr SCOT MacDONALD: So we need greater responsiveness?

Mr POLLOCK: There needs to be a much quicker and more agile situation for us to effectively maximise the bang we are going to get with our dollars and the State dollars. I do recognise the level of support.

Mr SCOT MacDONALD: You have touched on most of the questions I had on national parks. Are you happy in your mind there is good interaction at this stage? The National Parks and Wildlife Service is talking to you and vice versa?

Mr POLLOCK: Yes, we have had some success. I think it is more on a major philosophical basis to come down from above rather than any difficulties we might be having at any local level.

Mr SCOT MacDONALD: Mr Green said you had 20-odd years in hospitality. Obviously, you are a member of Regional Development Australia and you are on the South Coast Tourism Board. Can you make a quick comment about industrial relations [IR]? It is not our domain anymore, but how do penalty rates and those sorts of structures affect the hospitality industry? Your area of the world strikes me as a weekend-driven sort of economy.

Mr POLLOCK: If I used a word like "murderous" I think you would understand. I have appeared in the past before the Industrial Relations Commission on behalf of the restaurant and catering association. In the sort of restaurant that I was in, our jobs only started at six o'clock at night. They are basically Friday and Saturday night off season and then, of course, you are working seven nights during the season. Those seven

nights during, say, the six weeks or thereabouts of the season quite often involved four nights at public holiday rates.

Mr SCOT MacDONALD: This is driven down from the top, if you like, from Fair Work Australia and the union movement. What about your employees and the people Mr Green alluded to who are looking for work or who are young people trying to break into the industry. Do they say to you, "I insist on maximum penalty rates"?

Mr POLLOCK: Some of them probably yes. Then there are those, of course, that want cash so that it does not interfere with whatever benefits they might be on. Without being a smartarse, because of my profile I would not ever do that. I would be an obvious target for someone if I chose to be a 10 buck an hour cash type person. I retired in 2003 from the restaurant industry. When I retired, if I had an unskilled adult washing dishes on a public holiday I was paying him \$44 an hour.

Mr SCOT MacDONALD: Ten years ago?

Mr POLLOCK: Yes. Double time and a half, or triple time. That will give you an idea. You need lots of people to process, because we were feeding up to 250 people a night. Now, there was not too much left over for my wife and me. We made far more through the year when we might have had one or two on the floor and a couple in the kitchen.

Mr SCOT MacDONALD: This is a barrier to the industry?

Mr POLLOCK: Huge. What it needs is a sensible wage structure that reflects when the job is. Nobody has a problem with overtime and those penalty rates being totally applicable.

Mr SCOT MacDONALD: But not to the point of driving the industry out of business?

Mr POLLOCK: To me, overtime is once you have done your 36 or 38 hours; not when the job is. There was not a job nine to five. The job started at dinnertime. You would see more people employed more often with a realistic wage structure across the tourism industry. I am not just talking about the restaurant industry.

Mr SCOT MacDONALD: Particularly for young people. I am not familiar with the South Coast, but I am assuming your youth unemployment is too high.

Mr POLLOCK: It is high, yes.

Mr SCOT MacDONALD: And we could do something about that if we had a fair and balanced wage structure.

Mr POLLOCK: We employed a lot of very young people. My wife actually teaches tourism and hospitality at TAFE, so any of those kids who were looking for work experience would come to her first because it was easy to identify and they were familiar with her. There were some fantastic kids who became permanent employees from those work opportunities. But the inflexibility of the IR system at the moment is a huge impediment.

CHAIR: Have you come across specific challenges with national park usage? You mentioned looking at overnight stays and other options. Have you come across barriers to those suggestions in putting together your plans?

Mr POLLOCK: We have not included them in plans because they are not achievable at the current time. But when you travel a bit and you see the opportunities that are being explored and established particularly overseas and the success of those, whether it be trekking tours or cabins or whatever, they depend on preserving the absolute value of the national park in the first place. No-one is going to bugger it up, because that is going to muck them up from an economic perspective. But I just think, properly planned, we could make a real boon. When you look at it and programs like the national wilderness that is being pursued at a Federal level, there are so many complementary ways we could do more—and not just through government investment—to open up the possibility of investment and exploration.

CHAIR: Most obviously your dealings are with Destination NSW. Coming from a tourism perspective, do you have many dealings with other departments? If so, how have you found that?

Mr POLLOCK: I think there needs to be a bit more imagination from the Department of Planning. I think it is all very well to introduce a standard local environmental plan [LEP] template across the State but I think it makes it too sterile and too colourless. It needs to be more accommodating for the specifics of individual areas and what might be restrictions and what might be opportunities. Obviously, I chaired planning and development for 10 years in the Eurobodalla. I can tell you that a lot of good planning advice from local government authorities that goes into the Department of Planning appears to be ignored. I just think they should recognise that there are all sorts of different combinations of things that can happen.

People are offended when they see a rule of law come down that might impact on the way they feel they have been managing land for maybe four or five generations. They are not fools. They care about their land because, again, if they do not look after it it is not going to look after them. It might be that there are tourism opportunities. I mean, people now want a more rustic experience or as close as you can get to that type of experience as distinct from staying in a five star you beaut modern, white and sleek type situation. Some planning instruments make that more difficult to achieve. They did not in the past, but some of the current template I think needs a bit more liaison with tourism, et cetera, maybe at the lower end of town and not the big end of town.

CHAIR: Unfortunately, time has expired for questions. Thank you again for appearing today. I do not believe you took any questions on notice.

Mr POLLOCK: Any time, just give me a yell.

CHAIR: Any other questions will be formally sent to you from the secretariat and you will have 21 days to respond to them.

(The witness withdrew)

CRAIG MILBURN, Group Director, Corporate and Community Services, Shoalhaven City Council, and

CATHERINE SHIELDS, Chair, Shoalhaven Tourism Board, Shoalhaven City Council, sworn and examined:

CHAIR: Do you wish to make an opening statement?

Mr MILBURN: I have been recently appointed and have come here with just five weeks in the Shoalhaven: Catherine brings a greater wealth of information to that. It may or may not be beneficial for the Committee but I had five years in Coffs Harbour and seven years in Port Macquarie, so other regional key tourism centres in New South Wales. The Shoalhaven represents the highest number of visitors outside Sydney in a tourism perspective. It is probably an area that has not had the level of government interest that it should and it warrants, given its place in the tourism perspective. It is very much part of the Illawarra and it is being seen as that more and more as planning goes on. It represents more than 50 per cent of the actual geographical area of the Illawarra and a bit over 25 per cent of the population base in that area as well.

The Shoalhaven sits between in this funny place of the Illawarra South Coast but it does represent a significant area for the New South Wales economy. The local council has a very strong involvement and a commitment to the growth of the sector. The Master Plan that Catherine chaired and oversaw has seen us set a target from moving from our current economic impact of some \$630-odd million into the local economy to \$1 billion a year by 2020. That is an aggressive target but it represents the aggressive nature that the council and the tourism industry want to take tourism to in the area. It is in its particular geographical location of being two hours from the biggest city in the country and 2¼ hours, because I did it last weekend, to our national capital Canberra. It has access to an enormous population.

Its challenge is to maximise those people who come and visit and take it from a relatively low spend at the moment to a much higher spend per dollar. I am sure Catherine will outline what some of those key aspects of that management Master Plan area and there are some exciting things that can really happen down there. We may even discuss of them one in particular and the State Government barriers that are actually prohibiting that at the moment. The potential for that particular project is in excess of \$300 million a year into the New South Wales economy. I will probably leave it at that at this stage.

The Hon. STEVE WHAN: Will you tell us about the project that has had State Government barriers that is worth \$300 million year since you have alluded to it?

Mr MILBURN: I will ask Catherine to outline the project as she knows far more about its history than I do then I can outline what is the current major barrier.

Ms SHIELDS: The project is the **Shaolin Temple**.

The Hon. STEVE WHAN: Yes, I have heard of that.

Ms SHIELDS: Which is a huge mixed development comprising a 500-room hotel, a golf course, obviously a temple, a wellness centre and a component of a housing development as well that will be located on land formerly owned by the council just to the north of Jervis Bay and to the south of Nowra. It has been on the cards since 2006 and it is currently with the Department of Planning and is being held up by problems with the Roads and Maritime Services.

The Hon. STEVE WHAN: In terms of access from the highway?

Ms SHIELDS: Access from the highway. It is not even a big deal. We are getting to a point where if it is not sorted out by the end of November the whole deal could go somewhere else in the world. I think the Chinese are somewhat mystified by how something so small could hold up really what is a game-changer for the Shoalhaven region.

Mr MILBURN: Economically it is over \$300 million, domestic visitors 300,000 and an additional 150,000 international visitors.

The Hon. STEVE WHAN: On what are those estimates based? How will they bring international visitors to that number?

Ms SHIELDS: The **Shaolin** religion has followers all over the world, among them are a number of big celebrities, people like Richard Gere, for example.

The Hon. LYNDIA VOLTZ: The first one that springs to mind.

Ms SHIELDS: It is not just Chinese tourists but obviously it is a big attraction for Asian tourists and that is our big growth area out of Sydney at the moment.

The Hon. STEVE WHAN: Is the temple near Wollongong also **Shaolin** or is it something different?

Ms SHIELDS: No, that is completely different.

Mr MILBURN: **Shaolin has more than 60 million followers internationally. In relation to the numbers of 150,000 and 300,000: the \$300 plus million economic impact is only based on 75 per cent of those numbers being achieved, so really conservative estimates have gone in.** Specifically the issue with the highway, the Roads and Maritime Services is insisting on grade separation on Forest Road. The traffic projected numbers are still less than the main Jervis Bay Road, Jervis Bay, a bit further south, and that does not have a grade separation itself anyway. What they call a seagull type intersection would be more than satisfactory in that area but the cost of a graded separation, as the Committee would appreciate, is very significant. Basically that is the show stopper to the project.

The Hon. STEVE WHAN: A bridge is quite expensive. They are being consistent with what they are doing on other highways as well, mind you.

Mr MILBURN: There is a level at which they are trying to do that and certainly I see a lot of that occurring where we have \$750 million being spent on the duplication north of Coffs Harbour.

The Hon. STEVE WHAN: Is the Department of Trade and Investment involved in this project? Has it looked at direct financial assistance to help with road infrastructure?

Ms SHIELDS: I would have to take that question on notice.

The Hon. STEVE WHAN: You represent a local council-based body. What is your relationship like with your Regional Tourism Organisation? How is your planning working with that organisation?

Ms SHIELDS: I am actually an operator and business person. I am not an employee of the council. I am on the regional board as well, although I have not been on it for very long. We have quite a good Regional Tourism Organisation on the South Coast. There are some difficulties when we are doing joint advertising campaigns with Wollongong because they have, I guess, a different product to sell but there are some synergies between areas like Kiama, Shellharbour, Shoalhaven, Eurobodalla and Sapphire. As a general rule it works quite well. As someone who has an advertising background it has been a bit of an eye opened to see how the marketing partnerships work and that is one of the things that I am looking at. I guess from the Shoalhaven's point of view because we are the biggest player in the region, we will be looking at improving that relationship and the effectiveness of the marketing strategies.

The Hon. STEVE WHAN: Are you happy with the structure of the Regional Tourism Organisation?

Ms SHIELDS: I have not been involved with them for that long but I do have my concern as to whether we really need it. An awful lot of money that goes into Regional Tourism Organisations that possibly could go straight to the local government areas. I know Destination NSW is keen on marketing regions as a whole which I can understand because tourists do not see the boundary of the local government area. But to me it could be done a little more effectively. I think the advertising campaigns that I have seen the past decade have probably been a little too general. I think the money could be spent a little more strategically.

The Hon. STEVE WHAN: Have you done any assessment of what difference the sealing of Nerriga Road has made to tourism in the local area?

Ms SHIELDS: I can give you some anecdotal evidence as an operator. I have tourism properties at the end of the forest road, which comes off almost directly or meets the highway where Main Road 92 does. I am

seeing that we are getting quite a few more people from Canberra, and not just Canberra but even people from Victoria who are coming through that way and people from other regional areas like Wagga Wagga and Young and places like that. Obviously people who live in a landlocked area love to come to the beach at least once a year. Yes, it had made a difference. The problem we have—and Paul knows about this—is that the lack of signage is a real issue. No-one seems to be keen to solve that problem until the truck route has been sorted out. But from a tourism perspective, I see all that money that has been spent on the road and the lack of any tourism signage kind of defeats the purpose.

The Hon. STEVE WHAN: Is it the Roads and Maritime Service that you are talking to about that?

Ms SHIELDS: I think Paul might even know about this. It is a problem with different councils.

The Hon. STEVE WHAN: Okay. Is it also an issue with the other end of the road from Nerriga through?

Ms SHIELDS: Definitely, yes.

The Hon. PAUL GREEN: It is about the destination.

The Hon. STEVE WHAN: And the fact that it is dirt in parts?

Ms SHIELDS: At the moment there are only three kilometres—

Mr MILBURN: There is one kilometre. It is down to one kilometre now.

Ms SHIELDS: Is it down to one kilometre of dirt?

Mr MILBURN: I drove on it last Friday night.

The Hon. STEVE WHAN: If you go the way towards—

Mr MILBURN: Tarago?

The Hon. STEVE WHAN: Tarago, yes.

Ms SHIELDS: The only bit of dirt is at Oallen Ford.

Mr MILBURN: Yes.

Ms SHIELDS: That is a sticking point right there because we need to put a bridge across the ford, which is the top of the Shoalhaven River. I think some of the councils around there do not particularly want heavy vehicles coming through.

The Hon. STEVE WHAN: Was it worth the \$90 million or so?

Ms SHIELDS: I think it will be.

Mr MILBURN: It will be, yes.

Ms SHIELDS: Definitely.

The Hon. STEVE WHAN: Good.

Mr MILBURN: There is some interesting product. Like I said, I am new to the area but I literally drove that road last Friday night and then back on Sunday. The quality of the road is excellent to drive on.

The Hon. STEVE WHAN: It is.

Mr MILBURN: Where they have actually upgraded it is, and certainly some of the areas into the national parks there, which we took advantage of on the way back to stop and look at, as they get promoted I think you will actually see some real value come out of that investment.

The Hon. PAUL GREEN: It is a freight route as well. It is a potential freight route to Port Kembla.

Mr MILBURN: It has not got the hairpin bends of other mountain roads.

Ms SHIELDS: Exactly.

The Hon. PAUL GREEN: That is right.

Mr MILBURN: Which is great. You come up over Robertson.

Ms SHIELDS: It is a much easier drive.

The Hon. STEVE WHAN: Have you a final comment? Do you have a view that you want to let us know about holiday rentals, which a lot of people are talking about?

Mr MILBURN: Catherine is in that game.

Ms SHIELDS: I am a holiday rental operator. One of the reasons I got involved on our local tourism board was for that very reason. I have been in the game for about a dozen years so I know it pretty well. I have seen the changes over the years, too. Holiday rentals make up about half of the accommodation product in the Shoalhaven. When you consider it is the most visited regional area in New South Wales, it is a very important part of our tourism product. We do not get too many problems in the Shoalhaven, not like the Central Coast and Byron Bay shire, but one of the things that I have done is try to be a bit more proactive. Our tourism board is attempting to encourage more engagement with the holiday rental operators. It is certainly a lot more professional than it was 10 years ago. There are a lot more people who own multiple properties and who treat them like it is a boutique motel or hotel.

Mr MILBURN: There is a code of conduct too.

Ms SHIELDS: Yes. The board is keen to set up, or we are setting up, a local holiday rental association and we are just implementing the holiday rental code of conduct, which I guess you have heard of. Yes, we are certainly being proactive.

The Hon. STEVE WHAN: Have we got, or can we get, a copy of the holiday rental code of conduct? If not, can we get that?

The Hon. JAN BARHAM: I will flick it to you. It is the State Government one you mean? Are you referring to the Department of Planning's model?

Ms SHIELDS: No.

The Hon. PAUL GREEN: They are building their own.

Ms SHIELDS: This was created by the Real Estate Institute of New South Wales and some of the stakeholders such as Stayz and Take A Break and Rent-A-Home.

The Hon. STEVE WHAN: Okay.

The Hon. JAN BARHAM: The State Government Department of Planning has entered into a code of conduct it developed.

The Hon. LYNDIA VOLTZ: Can we get a copy of yours?

Ms SHIELDS: Sure.

The Hon. STEVE WHAN: If we can get a copy of the one you are talking about, it would be great.

Mr MILBURN: Yes.

Ms SHIELDS: Sure.

The Hon. STEVE WHAN: Thanks.

The Hon. JAN BARHAM: I will follow through on that. I am from Byron Bay so I have lived with the drama for over a decade. What we have, I suppose being a more concentrated tourism area, is a great conflict with tourism operators who buy commercial land, who do development applications [DAs], who pay commercial rates and then they are dealing in competition with someone who buys a house in a residential street and either refurbishes it or not. If they redevelop it, it is a purpose-built mini-motel in a residential area and the neighbours put up with all sorts of things going on. How do you justify that sort of competition in an industry? Can you explain how that works?

Ms SHIELDS: It is very hard to generalise because there are obviously operators who are not very good. You know, they live in a different part. In our situation, there are holiday home owners who live in Sydney and who do not get to actually see or maintain their properties. We have a problem with that.

The Hon. JAN BARHAM: But in terms of business? I am talking about it from a business perspective.

Ms SHIELDS: Okay.

The Hon. JAN BARHAM: How is there a level playing field when other people go into a traditional regulated tourism sector? How do they deal with that? I am also interested because we have had this situation up north. I do not know if your planning rules are different, but mostly across New South Wales residential zones and dwellings are not approved for tourism use. You are bound by the Building Code of Australia [BCA] and the fire rate. If there were an accident, your insurance would not prevail.

Ms SHIELDS: We do have insurance.

The Hon. JAN BARHAM: But does the fine print not say "Only for an approved use"?

Ms SHIELDS: No. You can actually get the right sort of insurance.

Mr MILBURN: I will give you the example of Coffs Harbour where I have recently come from. There you could actually set up a bed and breakfast, provided that you do not have cooking facilities in it. You could have two bedrooms and you could run that on a 90 per cent occupancy rate and that would actually meet the building codes. Therefore you would be covered by your insurance. It is an issue. Catherine will not like me saying this but it is an issue for councils such as Port Macquarie, Coffs Harbour, and the Shoalhaven, who all have a levy of one sort or another, because they cannot levy it on those properties. Therefore there is a big sector. As Catherine said, basically 50 per cent of our room nights are available there.

There is a whole sector who is gaining the advantage of the money that is being paid through the levy that is used to market to come down there. They are not actually contributing to that other than their normal rates. I think there is another area around that. I am not a big one on regulations. However, I think there needs to be some form of registration or something so that councils who choose a levy or a special rate or something like that have the ability to tap into the market. The other thing about that though is it is very transient. I do not know what the percentages are but there will be a reasonable level of it which is very transient.

People might set it up for 12 months, two years or three years and then get out of it. There are people like Catherine who are in it and it is her business and they will stay there, but keeping track of it is also going to be a difficulty. It is a challenge. It is a real challenge from both ends, I think. You have players in the field who are wanting to be part of the industry. I think Catherine is really good evidence of that. She is on the board and is taking a very active role in getting this code of conduct out. There are others who will just keep their head down.

The Hon. JAN BARHAM: What about someone else who came into the area and wanted to start up a little motel or do bed and breakfast? Why would anyone bother when you can just go into this area that has no outlay to basically have a business?

Ms SHIELDS: I would not say it has no outlay.

Mr MILBURN: Not no outlay, no.

Ms SHIELDS: In fact, I would say that I might be in that business, but we actually do not make any money out of it, or make very little. We are actually more interested in the property side of things. We pay enormous land tax—enormous land tax—because they are beachfront properties, which would put most people off. I think the majority of people are forced into holiday renting if they have a weekender, whether it is something they inherited it from their grandparents or whether they bought it as a genuine escape.

The Hon. JAN BARHAM: Do you also take advantage of negative gearing?

Ms SHIELDS: Yes, but I think you have to realise that people are forced into it. That is what we have witnessed in the Shoalhaven. People who would not ordinarily want to rent out their weekender, because of the inconvenience and the fact that they have strangers sleeping in their bed, have had to because of the very high cost involved with having a house like that.

The Hon. JAN BARHAM: Is there a difference between a place that is used for a small amount of time, say, your peak periods, six weeks of the year or whatever, and purpose-bought, purpose-built, renovated, constructed, managed—

Mr MILBURN: I think the people that shift out of their home and move to their brother's or sister's, or their mum's and dad's, for that peak period is such a small amount of the market that in one sense it is irrelevant. It is a pretty low amount and that is not where you want to be putting your energy. There are not many people that do that on the whole of all the providers.

Ms SHIELDS: Not many people in reality do that because it is almost impossible to—

The Hon. JAN BARHAM: What about raising property values and therefore impacting on housing affordability in those areas? If this is an industry model, it must be having a flow-on effect, and you are talking about the investment value of a property. Is there any reflection on that? Do you have availability or affordable housing problems there?

Mr MILBURN: Anywhere in New South Wales has affordable housing issues, we just have a basic supply and demand issue of housing across the State, so that is the issue there.

The Hon. JAN BARHAM: If 50 per cent of your stock is dwellings that are not being used as dwellings, they are being used for tourism, that might have something to do with stock availability.

Mr MILBURN: It can at one level; however, when you look at the economic impact and the fact that there are over 6,000 people employed directly in the tourism industry, if you were to stop some of that market you would lose some of those jobs as well, so it cuts both ways. It is really trying to find a balance in all of that.

The Hon. JAN BARHAM: Someone might invest in a caravan park or a motel.

Mr MILBURN: They may not either. There is a whole range of good caravan parks in the Shoalhaven and, as Rob was saying before, right across the South Coast. It is a fine balance and, although I do not envy you in your position, trying to work this balance out, it is trying to work it out. There is a market, and with the physical location of the Shoalhaven particularly, within a two-hour drive from Sydney, the weekend away is very attractive, and this caters to that aspect of the market.

The Hon. JAN BARHAM: The Hon. Paul Green and I used to be on the Sea Change Taskforce together.

Mr MILBURN: Okay. It is an interesting dynamic.

The Hon. PAUL GREEN: We were always of the view that local government could sort it out, and I know that the Hon. Jan Barham wants some higher level regulation saying what the boundaries can be. The other thought is that you have people who sell flowers and fruit on the side of the road, and they do that with none of the permits that the shop down the road needs, and insurance, WorkCover and everything else. It tends to cut both ways though, and you do have a market there, which can be complementary or negative, depending on the overall picture.

Ms SHIELDS: The main driving factor is that the market wants self-contained holiday rentals. If you have a family, you cannot fit into a motel room or a caravan park.

The Hon. PAUL GREEN: We cannot fit into two motel rooms.

Ms SHIELDS: Yes. Certain people cannot fit into three motel rooms. That is the crux of the matter, that people want self-contained holiday rentals. Honestly, I have seen it change enormously, and I think the only way we can really try to get some level of professionalism is this holiday rental code of conduct.

The Hon. PAUL GREEN: Yes, and I think that is the way forward. I think we said earlier that it is about getting ownership by people doing the wrong thing to contribute to the pie, because it is in everyone's interest and if everyone carries the load then it is equal sacrifice.

Mr MILBURN: Yes. The point that Catherine raised about the change in what people are wanting in terms of accommodation is really critical. We saw it in Port Macquarie when I was there. We saw basically an entire accommodation range transformed over 10 years and it shifted into self-contained apartments, which is what people are actually looking for. That not only attracted the mums and dads, but it allowed sporting events in particular and sports tourism so that teams, whether they are junior or senior teams, will come and hire those things. It is much easier than trying to line them up into three dozen individual bedroom motel suites, if you can put them into those sorts of things, so that is a significant driver. For the Shoalhaven, the fact that we do not have a high quality hotel—it is in the master plan—

The Hon. PAUL GREEN: It is not for lack of trying.

Mr MILBURN: No.

The Hon. PAUL GREEN: I would like to get your input on how you find the Regional Visitor Economy Fund, whether it is helpful, whether it should be increased—

Ms SHIELDS: Obviously any funding like that is fantastic. We have not really seen a lot of take-up in our region as yet.

The Hon. PAUL GREEN: You might want to read the second page of your submission, point no. 2, where you acknowledge the Government but you believe that the allocation of \$3.5 million for the whole State is too little and too thin.

Ms SHIELDS: Yes, it definitely is.

The Hon. PAUL GREEN: Do you want to make comment on that?

Ms SHIELDS: Yes, we could really do with a lot more investment. In places like the Shoalhaven, we have the second lowest visitor spend per night, so product development is of vital importance. We have enormous potential to improve our employment situation, to create many new businesses, if there was a bit more investment.

The Hon. PAUL GREEN: Let us try and put it in practical terms. If it is too little and too thin, what proportion do you currently get and what would you think would be a better way of proceeding? What amount do you think would start to saturate that issue where you would say it is not too thin, where you think it is reasonable, even though you are not getting everything you want?

Mr MILBURN: I would want to take that on notice.

Ms SHIELDS: Yes, I would like to take it on notice.

The Hon. PAUL GREEN: Do you have a comment in relation to the Very Fast Train and whether it should have a spur to the Shoalhaven?

Ms SHIELDS: That would be fantastic.

Mr MILBURN: Absolutely. The Very Fast Train, the concept of it, I think is essential and having looked at it on the North Coast and now the South Coast, the link from Sydney to Canberra, to pick up a region of the South Coast it needs a spur across there, definitely.

The Hon. PAUL GREEN: And the second airport—do you want to make a formal comment to the inquiry about your views on that?

Mr MILBURN: I was responsible for airports in Port Macquarie and Coffs Harbour in the portfolio. A second airport in Sydney for regional areas is critical. We do not have an airport in the Shoalhaven and probably never will, simply because it is too close and it is not viable for airlines to fly it.

The Hon. PAUL GREEN: Jaspers Brush?

Mr MILBURN: Yes, we will have to get the mower out.

The Hon. PAUL GREEN: Sorry, that was a cheeky comment for the record.

Mr MILBURN: There is an issue particularly in peak demand periods into Sydney for regional airlines to fly in, where they simply cannot get slots, and for businesses to operate in those regions—business, tourism and those sorts of things to occur—they need to get some of those slots.

The Hon. PAUL GREEN: What about Albatross, given your experience?

Mr MILBURN: Given my experience, you still will not get airlines to fly there, simply because it is too short from there to Sydney. You do need a second one in the Sydney Basin. They need to relax some of the curfews currently in Sydney, they need to get rid of some of those, and they need to increase the landings per hour in peak times. There is actually capacity to do that. That would give you a short-term solution, but there is a need for a second airport, particularly given the regional reliance on some of the air traffic and the opportunity for tourism and business growth if you have good access to the airport.

The Hon. LYNDIA VOLTZ: I live in Bardwell Park, which is near the Sydney airport, and it would be quicker for me to drive to Nowra than to drive across Sydney to a second airport. Do you have a view about how that would operate?

Mr MILBURN: I do not have a particular view on the airport's location, but the need to have a second airport I think is absolutely critical.

The Hon. LYNDIA VOLTZ: I get what you are saying about capacity.

Mr MILBURN: If we were to have a second airport, we would love to have it in the Shoalhaven, and link it up with a very fast train. The reality of making that happen is another matter. HMAS *Albatross* is there—

The Hon. PAUL GREEN: In the Shaolin temple that is proposed, they are talking about, I think, 150,000 international guests. That gives you an idea. I think the estimates were for 300,000 domestic guests. When you start to put those figures in play, with the Sydney Airport as it is, it would obviously not measure up.

The Hon. LYNDIA VOLTZ: So we should all feel free to look after Nowra?

The Hon. PAUL GREEN: No. This is the whole point. If the Minister wants to double our tourism by 2020 some magnanimous decisions need to be made today, not in the coming years.

Mr MILBURN: *Albatross* offers that opportunity, given that you have models in Newcastle and Darwin, just to name two airports that are operated as military and domestic/international airports already. So it can be done. It can be managed. You have the infrastructure there.

The Hon. PAUL GREEN: With the change of government it could be addressed again.

CHAIR: Obviously, Destination New South Wales is the primary department that you deal with. How have you found interacting with other departments when it comes to tourism plans or what is needed for the region?

Ms SHIELDS: I did talk about that a little bit before. We have a fairly good working relationship with Destination New South Wales. They have been very proactive in running educational courses—

CHAIR: I am looking not so much at Destination New South Wales but at the other departments in relation to the further delivery of services such as transport and in looking at your whole plan for the region.

Ms SHIELDS: Are you talking about our master plan?

CHAIR: Yes.

Ms SHIELDS: I am not sure that they are aware of us. We have not had any dealings with any other department apart from the Department of Planning, obviously, on big development approvals.

Mr MILBURN: I can take a broader view on that. With the Coffs Harbour and Port Macquarie experience we had very good relationships with Sandra in Destination New South Wales. I would also like to make a quick comment about the RTOs. I think the RTOs on the North Coast do not function as well as they do on the South Coast, and there is a lot of money skimmed off for administration purposes. That needs to be looked at. We have a very good relationship with the New South Wales Department of Trade and Investment in Coffs Harbour and in Port Macquarie on major events.

For example, we have the International Fleet Review that we are working on across the board with a whole range of government departments. The World Rally Championships are on right now in Coffs Harbour. On those sorts of things the relationships have been very good. There is a recognition of the role that local government plays in that, and the impact that those sort of major effect have. Destination New South Wales is an under-funded, under-resourced department. I think Sandra and her team do a very good job with what they have.

CHAIR: You said that there is vast difference between the south and north coasts in relation to tourism. Could you explain some of the key differences.

Mr MILBURN: That is exactly what Catherine asked me last night. I think I have alluded to some of the differences already. There is the South Coast's—particularly the Shoalhaven's—proximity to Sydney and the drive market. Port Macquarie and Coffs Harbour both have major regional airports so in that respect they are quite different. Port Macquarie's private sector investment in accommodation has been critical. Coffs Harbour has a couple of resorts that are old and tired now—Pacific Bay Resort and Opal Cove Resort—and there is a desperate need to move on something at the foreshore. I know the State government had a very good relationship with respect to Crown lands. The Premier has been up there. They are looking at shifting some of the State Government land, which I think needs to be freed up for the private sector to do some development.

The Shoalhaven is desperately in need of new infrastructure—new product. It is behind both of those centres in that regard. Their socio-economic situation is not that different. They have an ageing population, lower-than-average incomes and higher-than-average unemployment. So the areas are not that different. The Shoalhaven has the amazing advantage over both those other areas in terms of the Shoalhaven River and Jervis Bay. They are absolutely sensational assets. Coffs Harbour has the harbour and there are real limitations on it. Port Macquarie has the Hastings River but it has a major bar. So those are significant aspects. The other major aspect is with respect to the national parks. Tasmania and New Zealand can provide really good models of how to bring commercial aspects into national parks. There are ways to do it that maintain the integrity of the national park but drive tourists to those locations.

The Hon. PAUL GREEN: Is that including overnight stays? Rob Pollock talked about overnight stays.

Mr MILBURN: Absolutely. I am a Tasmanian originally. Look at Cradle Mountain and Lake St Claire National Park. If you do it quickly you can go through the 80 or 90 kilometres in five or six days. National Parks have their own track and huts through there but they have allowed the private sector to come in. The private sector has set up huts all the way through that track. That allows people to walk through. Instead of carrying a 24-kilogram pack you can walk through with a day pack. Then you can sit down at night and drink your nice red wine and have a nice steak cooked by a top chef. That is a great model of how to do it.

Ms SHIELDS: In the Shoalhaven we are sitting on a gold mine, because we have nature's wonderland. Unlike the North Coast, it has not been compromised by inappropriate development. Being so close to two of our major metropolitan areas, already we are seeing an increase of visitors. I think in the last year or so we have had a 25 per cent increase in international visitation. So we really need to catch up because we mostly have small operators in the region. They are mostly micro businesses—mum-and-dad operations. We desperately need product development. We need a branded hotel so that we can grow our conference and business market, which is obviously where the high yield is. We really do need help.

CHAIR: Thank you very much for sharing that with us today. I do not believe you took any questions on notice.

Mr MILBURN: Yes, there was one.

CHAIR: Also, if any additional questions are set to you, you will have 21 days to respond to those. Thank you very much for appearing.

(The witnesses withdrew)

(Luncheon adjournment)

CAREY McINTYRE, Director, City Outcomes, Shellharbour City Council, and

MARIANNE SALIBA, Mayor, Shellharbour City Council, sworn and examined:

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

Ms SALIBA: Yes, I would. I wanted to give you a bit of background on Shellharbour city and how important tourism is to our city. Shellharbour is the third oldest municipality in New South Wales and the youngest city in New South Wales; it received its city status in 1996. Predominantly, it was blue collar workers who worked at the steelworks. In the 1980s, when the steelworks was at its highest, it was employing 37,000 people; below 3,000 people are now employed there. A lot of the people who work at the steelworks come from the Shellharbour city area. In the last few years, council, along with Australand, have been building an area called Shell Cove, which has a marina that is almost 30 per cent larger than Darling Harbour. The marina is being built now and we are looking to develop commercial, retail and hospitality and other tourist-type opportunities at that marina. Stockland at Shellharbour have invested \$330 million in the redevelopment of the Stockland's shopping centre. There is a lot of money being invested in our city area.

We find that retail and tourism are the two greatest employers in our area. We do not have major manufacturing and we do not have other opportunities. For Shellharbour and our residents, it is very important that tourism be fostered and that we have an opportunity for it to grow. We have a great organisation called the Shellharbour Tourism Association that has been working very closely with council to promote our area and it has been working on strategies that we can introduce to increase the number of visits to our area, and also linking in with our region. We work closely with the South Coast tourism industry and Destination Wollongong, to ensure that when people visit our area, there is a whole range of opportunities for them up and down the coast of New South Wales.

CHAIR: Mr McIntyre, would you like to say anything?

Mr McINTYRE: No, thank you. The mayor's opening speech has covered the main issues that we needed to touch on at this point.

CHAIR: We will start with questions by the Hon. Lynda Voltz.

The Hon. LYNDA VOLTZ: In your submission, you talk about the need for a second airport due to capacity. Do you have a view on where that airport should be? Earlier I made the point with the Shoalhaven City Council representative that from where I live in Bardwell Park, it would be quicker for me to drive to Nowra than it would to drive to Badgerys Creek, given the time it takes to travel across Sydney.

Ms SALIBA: A personal view of mine was to look at Wilton. That was an area that was being considered by the former Federal Government. I understand that some decision has been made on that now, unfortunately, but that would have been an ideal place for visitors to arrive in Australia and New South Wales. They would have been able to access the coast quite readily. It would also have created opportunities for jobs in our community. A large number of our population leave our area in search of employment. We are trying to find ways of engaging with surrounding regions to ensure that jobs are created and they do not have to move too far afield.

The Hon. LYNDA VOLTZ: With the second airport capacity is the problem that everyone talks about and that it needs to be within the Sydney basin. The congestion of roads in the Sydney basin is already a tremendously large problem. I am trying to marry the two. Do you know of any proposals that have been put forward for a very fast train to link your region with any new airport capacity?

Ms SALIBA: There has been some discussion about a Sydney to Melbourne very fast train. But if you are taking a train from Sydney to the South Coast you should be prepared for a long journey because in certain areas the trains have to slow down to quite a slow speed in order to manoeuvre those lines, which are very old. The infrastructure that is in place does not really support people coming into Sydney airport and travelling to the Illawarra by public transport—it is difficult. Generally those people who would come to the Illawarra at the moment are family visitors, and they would normally get picked up by other family members. We do not get the opportunity of having those people come down because there is not the infrastructure in place to ensure that that happens. I think if the second airport was located somewhere either west or south of the Illawarra it certainly

would have a much better impact on our community and provide job opportunities, as well as the number of visitors that we would then be able to capture coming in.

The Hon. LYNDIA VOLTZ: The Committee has been discussing the issue of holiday letting and the problems it can create in communities, particularly in popular destinations for younger people. Does your council have a view on that? In particular, what would you do about rogue letting of holiday apartments? Or is it not such a big deal in your area?

Ms SALIBA: It has not been a big deal at all in our area. We did discuss it at our tourism association at the time we were aware of it elsewhere.

The Hon. JAN BARHAM: Kiama had issues.

Ms SALIBA: Yes, but we have not had any problems with those sorts of things. Also our association supports our operators to ensure that they have mechanisms in place to try and prevent those things from happening. Carey, do you have more to add to that?

Mr McINTYRE: The member is correct that our adjoining neighbouring local government area, Kiama, has significant problems. In fact, I live in that LGA and I live next door to a holiday rental so I have a personal view on that.

The Hon. JAN BARHAM: You have my sympathy.

Mr McINTYRE: The mayor is correct, among other things I look after statutory development regulation and control. I actually inquired with the appropriate staff in relation to this specifically. They have had no complaints in recent memory in relation to the leasing of holiday rentals, to the point where we recently developed a new development control plan within council and, in considering all of the things that plan needed to cover, it was discounted and set aside as an issue that needed to be covered in that plan simply because it did not warrant further consideration on our part. I guess we hope that remains the case, but if it is any indicator of the amount of tourism traffic that we have heading through Shellharbour then it maybe something that we may need to consider more in the future.

The Hon. LYNDIA VOLTZ: In your visitor economy you are getting visiting friends and relatives.

Ms SALIBA: That is the bulk of it.

The Hon. LYNDIA VOLTZ: So a lot of your income derived from tourism is from the entertainment side of the industry as opposed to hotel nights and such like?

Ms SALIBA: We do have Sydney overnights. We do get a significant amount of people from Sydney down to the Illawarra but our greatest tourists are visiting friends and relatives. Carey, do you have anything more to add?

Mr McINTYRE: That is correct. What we find is that a lot of the entertainment opportunities and offerings available in the Wollongong City Local Government Area tends to be the destination of choice in that sense. However, the tourists that are joining us in our area are then staying with friends and relatives, as you say, in our LGA overnight.

The Hon. JAN BARHAM: But you are looking to change all that. You are plunging into this new tourism future that is designed around the marina. I saw you on television when I was down in Wollongong the other night turning the first sod.

Ms SALIBA: The rocks on the placing of the breakwater, yes.

The Hon. JAN BARHAM: That is the centrepiece for a new future for Shellharbour, is it not? You will be looking at changing the type of tourism, community and employment, will you not?

Ms SALIBA: It certainly is a move to change the type of tourism that we have offered. Generally it has been the water—the beach and our rivers and things like that—that people come to get access to. That will change but then, of course, we will be targeting our types of tourism to suit those who will be using the marina.

We will be looking at encouraging charter boats and whale watching, the family-type activities that people like to participate in.

The Hon. JAN BARHAM: Have you got your proposal there? Are they for us?

Mr McIntYRE: They are. I have got multiple copies of those here for you.

Documents tabled.

The Hon. JAN BARHAM: Is the proposal based on anywhere else or is it uniquely yours? Marinas are not usually my thing but I know with Port Douglas and Cairns we saw how much those places changed when they developed into that market and a whole lot changed for them in terms of opportunities with different types of tourism.

Mr McIntYRE: We are certainly anticipating that the waterfront development at Shell Cove will provide those opportunities for the LGA. We have compared our development with other areas and probably one of the closest that comes to mind is Port Stephens, or Nelson Bay within Port Stephens. To try and lever off the opportunities that the marina offers, the Shellharbour tourism board relatively recently adopted a strategic plan and the key elements of that plan are highlighted in your attachments. But, among other things, the plan seeks to upgrade and expand the attraction and activity base and also to expand and diversify the accommodation base. We see those things as being critically important. Certainly we want to bring those people who are currently being entertained, if you like, in Wollongong to Shellharbour and, similarly, are wanting to have opportunities of accommodation that are not necessarily limited to friends and relatives.

The Hon. JAN BARHAM: I am just looking at what is actually involved. Is there a venue in the new proposal—some sort of venue where you would have entertainment?

Mr McIntYRE: The offering that will be in the Shell Cove marina area has not been finalised and certainly is not exhaustive. However, council is also currently well underway in its planning for a new city hub development, which will include, among other facilities, an auditorium, and we would see that auditorium would augment the available venue opportunities within the LGA.

Ms SALIBA: The other thing is that there are sites that have been identified for perhaps a motel/hotel, which may have an opportunity to provide entertainment. What has been developed so far is more a particular market of people who will be coming down to access the water, enjoy some of the natural elements of our local area and basically tap into the facilities that we currently have in our township, in our city.

The Hon. JAN BARHAM: Your natural attractions in the vicinity? Have you got national parks?

Ms SALIBA: We have got national parks, a State park, beaches, a lake and we have waterfalls out in the escarpment. We have got some small townships, a museum. Any other natural elements I have left out there, Carey?

Mr McIntYRE: I do not think the mayor has left out any elements, but one of our, if you like, competitive advantages is that we are relatively centrally located to other areas within a short distance that can also be appreciated for their natural beauty. Obviously there are areas in the Shoalhaven, to the west of us in the Wingecarribee shire and also to the north of us in terms of the northern beaches of Wollongong and the escarpment area up there.

Ms SALIBA: We are a short distance from Robertson and the Highlands.

The Hon. JAN BARHAM: Indigenous tourism? Have you got a relationship locally with—

Ms SALIBA: We do. We have a great relationship with our local Aboriginal people and we provide at the moment Indigenous historical walks down at Bass Point, which is an area that has been given State significance. We also are looking at, within the precinct of Shell Cove, an Aboriginal interpretive centre—a keeping place of Aboriginal artefacts and also an opportunity for the broader community to connect with our local Aboriginal people.

The Hon. JAN BARHAM: Are you connecting your management plan with the State Government's Aboriginal tourism strategy?

Mr McINTYRE: Certainly one of the endeavours of the tourism strategic plan that has been developed by Shellharbour Tourism is to be cognisant of and be consistent with issues and endeavours at other levels including those that are driven by South Coast tourism and also, more broadly, Destination NSW. So certainly the opportunities for Aboriginal and Indigenous tourism are part of the remit of the local board.

The Hon. JAN BARHAM: In relation to employment do you have in the area a TAFE or a training institution that is going to provide some of the skills required in the hospitality sector or are you seeing it as being the provision of jobs for more of your unskilled workforce?

Ms SALIBA: We have a TAFE in our city area as well as the Illawarra TAFE main campus in Wollongong and they run a number of hospitality courses as well as private agencies or private companies that run hospitality training as well. We see that hospitality will be one area of employment opportunities. Part of the project at Shell Cove is also a technology park. We are hoping to encourage other boating type industries, so that there will be an opportunity then for training in, I do not know whether you call it boating engineering, whatever the terminology is—for people who work on those sort of craft. We are trying to look at a number of opportunities, not just for people who are untrained but to give people the opportunity to gain careers in other areas.

Mr McINTYRE: We have included in the handout some demographic information. We find that our demographic profile is hourglass in shape: we have a significant aged population, and that is reflected in the amount of development that is occurring in relation to retirement living and also aged care, and then at the other end of the hourglass we have a relatively young population demographic. So certainly from our perspective, tourism and young people go well together in terms of being an employment opportunity.

The Hon. JAN BARHAM: Do you think you will be trying to attract the backpacker market—the younger travelling people? Do you think there will be something for them?

Ms SALIBA: Statistically they are not the ones that spend a lot of money.

The Hon. JAN BARHAM: They spend the money in the community but not so much on accommodation.

Ms SALIBA: We have a range of opportunities for accommodation. In fact, that is one of our weaknesses, for want of another word, in that while we have some caravan parks, we have some B and Bs and we have a couple of hotels, we really lack any decent accommodation there. We also have a State recreation park at Killalea. We have a great camping area there with opportunities for bunker-type accommodation. So there are opportunities for us tapping into that area.

The Hon. PAUL GREEN: The Shell Cove marina project, I do not know if you have already gone through maybe the headlines of where that is up to, can you—

Ms SALIBA: I laid the first rocks for the breakwater. The basin itself is almost 50 per cent dug and we have started placing the rocks on the beachside for the breakwall. So that is all part of stage 1. I think there are three stages to the project. The final stage will be building the final part of the break walls out into the ocean, and then the water will be let in. At this stage we are expecting the marina to be complete in 2018.

Mr SCOT MacDONALD: What about the housing in this area?

Ms SALIBA: A lot of the housing has already been built. Shell Cove is a \$1.2 billion project. A lot of the housing has already been completed. Australand is now looking at the retail sector down in the marina—council has just approved that. There will be other parts of commercial land. Some of that actually cannot be established until the marina itself is built. Once that is in the final layer around the waterway will be complete, but we have been going through it stage by stage.

The Hon. PAUL GREEN: It mentions a championship golf course.

Ms SALIBA: Yes, that is the links.

The Hon. PAUL GREEN: Is that the one that currently exists?

Ms SALIBA: Yes.

The Hon. PAUL GREEN: So that is complementary to that? There was some contention about the Killalea State Park, which you mentioned, some years ago. Has that been resolved?

Ms SALIBA: Yes, there is a board of management for the state park and that board had been negotiating with a company to put in accommodation there. The community were not impressed with that and it was withdrawn. I think the board is now considering other options, but not of the same scale or size because that was the main problem with that development—it would have been so large and in your face that it was felt it was not the appropriate type of accommodation for a beautiful place like Killalea.

Mr McINTYRE: Once the board has undertaken its deliberations and made a decision then there will follow a need for a rezoning of that area. Currently the land is what we call "white holed"—in other words, it was excluded from the recently gazetted local environmental plan [LEP]. That was a conscious decision to wait until the best long-term use of the land had been identified before putting in place an appropriate zoning.

The Hon. PAUL GREEN: So it was like a case of spot rezoning?

Mr McINTYRE: Yes, certainly that was the effect. They now call them planning proposals but they do have the same effect.

The Hon. JAN BARHAM: So it does not have a zone currently?

Mr McINTYRE: It has a zone but under the new LEP it does not have a new zone. It does have an existing zoning.

The Hon. JAN BARHAM: What is it under the existing zoning?

Mr McINTYRE: It is recreational use only, which is a fairly low level—

The Hon. PAUL GREEN: Is it passive or open space?

Mr McINTYRE: Yes, it is for passive recreation use, which limits the opportunities for any further development. Once the board has made its deliberations then an appropriate zone can be put in place.

The Hon. PAUL GREEN: So that is like a plan of management that they are putting together?

Mr McINTYRE: Correct.

The Hon. PAUL GREEN: You talked about the possibilities of the future with the marina development. Are you at all worried about the TAFE situation and how the potential privatisation of TAFE might affect your area given the skills base?

Ms SALIBA: Absolutely.

The Hon. PAUL GREEN: You mentioned that there were private institutions undertaking training.

Ms SALIBA: There are some private agencies that do hospitality training. However in the greater scheme of things the concern of course is around mechanical and other areas of TAFE. Certainly in the Shellharbour City Council area TAFE is very important to our community for training young people to enable them to take up employment and any change would have quite an impact on our community.

The Hon. PAUL GREEN: In your submission you say on the first page that tourism visitation is seasonal with very high peaks, and I quote:

These peaks, whilst good for business, place a great strain on local infrastructure and services. These costs are borne by Shellharbour Council ...

Could you elaborate on what you mean by that?

Ms SALIBA: I will start, and then I will ask Carey to cover the rest. The major strain is the traffic coming into our region during peak periods. For example, you come down a four-lane freeway to Yallah, and then you come down on to the Princes Highway through Albion Park Rail and find there are traffic lights. If you tried to tackle the south coast on Boxing Day then you would not do it on the Princes Highway because it is a bottleneck from morning to night. There are peak times when it is really inappropriate for locals to go out on the road. We have tried to alleviate that by doing things like the east-west link which takes people over the highway rather than along it to try to avoid the traffic.

The Hon. PAUL GREEN: Is that your priority?

Ms SALIBA: It is one of our major priorities.

The Hon. PAUL GREEN: Is that in the \$100 million Restart NSW program? Is that a project which got up?

Ms SALIBA: We put it forward but it is not something that will be considered. I think we got \$1 million for further studies.

The Hon. PAUL GREEN: And is that a \$60 million project?

Ms SALIBA: Yes. There was already a corridor identified years ago and that continues to be, as I understand it, the preferred option. There is now \$1 million for further studies so hopefully that project—

The Hon. PAUL GREEN: And you feel that will help?

Ms SALIBA: Absolutely. That will make a big difference to people accessing the Shellharbour City Council area, and the other thing is that that impacts on our local roads as well.

The Hon. PAUL GREEN: If it is straining your local roads, have you got some modelling of how it would impact? Have you done some modelling?

Mr McIntyre: We could take that question on notice and if we have any information available then we can provide it back to the committee.

Ms SALIBA: The other impacts are upon the local facilities we provide at beaches like the shelters, toilet blocks and all those sorts of things. If they could get away with it, people would camp in our shelters for a week over the Christmas break. Providing these facilities for the community has a significant impact on us. The other problem with that is that the Lake Illawarra Authority was recently disbanded and that is going to have a huge impact on Shellharbour City Council—because over the last 20-odd years the lake authority was responsible for the area. Both council areas and the New South Wales Government contributed to maintaining and improving not only the quality of water in the lake but also the area around the lake. We have some fantastic assets there. A lot of work was done by the lake authority, and that authority will no longer be there. It means that the council will have to find ways of funding those things ourselves. When you put that into our priority list, it makes it more difficult for us.

The Hon. PAUL GREEN: So that has been taken off them?

Ms SALIBA: The lake authority has been disbanded.

The Hon. PAUL GREEN: But was there something put in place to replace it?

Ms SALIBA: Not yet. There is going to be an estuary management committee but that has not yet been formed and we have not got any fine details about any funding or anything like that might be made available—certainly not in the way that the lake authority worked.

The Hon. PAUL GREEN: So you have picked up a whole bunch of burdens.

Ms SALIBA: Yes, this has basically been dropped into the laps of Wollongong and Shellharbour councils. The lake is one of the areas that attracts people to our community, particularly for activities like prawning, fishing and those sorts of things.

The Hon. JAN BARHAM: Has the council looked at what those costs might be above and beyond the costs required to meet the needs of the residential community? Have you done one of those non-resident impact costing assessments?

Mr McINTYRE: I am not aware of any analysis. However I am aware that council is able to quantify if you like the peak costs that occur during tourism season.

The Hon. JAN BARHAM: If I put a question to you on notice about that, would you be able to address it?

Mr McINTYRE: That would be fine.

The Hon. JAN BARHAM: Thank you.

The Hon. PAUL GREEN: I would like to ask you about the airport down there. What are your plans around that? I know that Qantas was flying to Melbourne from that airport and trying desperately to make it work but could not. What are the future plans?

Ms SALIBA: I guess the problem is the costs associated with flying from a regional airport that is 1½ hours south of Sydney airport. I remember taking a flight from Albion Park to Melbourne and it was 2½ times more expensive than taking a flight from Sydney to Melbourne. So there are costs there. We do not have any commercial airline operating out of our airport at the moment, but what we are doing is looking at ways of strengthening that airport with other business opportunities that are airport related to encourage more employment opportunities. Council has just recently approved a business management model to be developed in order to run the airport. That board can then look at all of the different opportunities, whether it is to get another commercial flight or whatever it is. The problem with the Wollongong to Melbourne flight or the Shellharbour to Melbourne flight was that it was particularly for the BHP staff and with the downturn in their employment that need is not there anymore

The Hon. PAUL GREEN: So you are not going to turn it into a second airport?

Ms SALIBA: No, we do not have the capacity.

Mr SCOT MacDONALD: Are you getting any pressure to extend liquor licences, trading licences and trading hours? Are you turning into another Byron Bay, is what I am trying to get at?

Ms SALIBA: That is Mr McIntyre's area, so I might let him respond to that.

Mr McINTYRE: We are actually not. We have, in fact, only received an application for a development which in and of itself drove the need for a new liquor licence once in the last three years. In that time we also have not received, for example, any development application seeking to extend current hours or extend hotel operations. The answer is that currently we do not see that. That said, when The Waterfront, Shell Cove, development continues and progresses there may be additional pressure there and also in Shellharbour village for an extension of existing licences. But we would not anticipate seeing that occur until probably three to five years from now.

Mr SCOT MacDONALD: I have asked a couple of the other witnesses about the trading patterns and how that fits in with the industrial relations framework we have at the moment. Would I be right in saying a lot of your trade is weekend—Friday, Saturday, Sunday—for starters out of Sydney?

Ms SALIBA: Yes, weekend visits are generally that time. No, I do not know whether it has had a greater impact or anything on it.

Mr McINTYRE: I would agree with that. There has not been an obvious pressure to extend trading hours or to change trading patterns. You are right that essentially the Thursday night, Friday night and then all day Saturday and Sunday are our peak times for retail and commercial activity. The council area, as Mayor

Saliba mentioned earlier, has essentially located to it the new Stockland development. That would consume a lot of our retail and commercial activity and it opens regular trading hours.

Mr SCOT MacDONALD: Do you get feedback on penalty rates?

Ms SALIBA: The only thing with that is that it is mostly younger people who tend to work in the industry of hospitality. The problem is if they are weighing whether they will go out and do their own thing or go to work on a Saturday night for the same amount of money that they would earn if they worked on a Tuesday morning we are going to be in a position where we may not have the staff to be able to cover those sorts of things.

Mr SCOT MacDONALD: You need an incentive.

Ms SALIBA: An incentive is important for people to be working. For example, particularly if you work at the Shellharbour Club where you are going to be working long hours or late nights there needs to be some incentive to encourage people to continue do those sorts of shifts rather than have a flat rate across the board. Otherwise, you might have a business that can operate on a Sunday and not have anybody who wants to do that job.

Mr SCOT MacDONALD: Do you have any idea of your youth unemployment situation?

Ms SALIBA: We have a higher than national average of youth unemployment. I am not sure what the figure is at the moment.

Mr SCOT MacDONALD: You can take that on notice. That is fine.

Mr McIntYRE: We have a demographic in here but not employment statistics; however, we can readily provide the inquiry with those.

Mr SCOT MacDONALD: Is the tourism industry something that the hospitality and tourism trade trainers are pursuing and developing?

Ms SALIBA: Absolutely. For example, the Novotel and the Chifley are not in Shellharbour city but they are within our region. A number of the hotel providers are working with our TAFE, as are some of our smaller providers and business operators, to try to give training opportunities to people who are going through the TAFE system. We have got a great TAFE at Wollongong that trains a lot of people from Shellharbour as well. They have got a great restaurant where they teach people how to properly serve food and serve wine appropriately. They also teach them about how to present for interview. That plays a big role in our community when in Shellharbour city in particular hospitality, retail and tourism are really the main employers.

Mr SCOT MacDONALD: Particularly for that younger demographic.

Ms SALIBA: Yes.

CHAIR: Thank you for appearing today. We require that any questions taken on notice or any subsequent questions forwarded by the staff are responded to within 21 days.

(The witnesses withdrew)

PHILLIP VANNY, Chief Executive Officer, Surf Life Saving NSW, sworn and

MICHELLE BAINBRIDGE, Government Relations Manager, Surf Life Saving NSW, affirmed and examined:

CHAIR: Do you wish to make an opening statement?

Mr VANNY: I think the Committee would be aware of who we represent. Surf Life Saving NSW is obviously one of the largest volunteer movements not only in New South Wales, but also in our organisations stretching right across Australia. I heard some talk about the size of the coastline in New South Wales, and obviously we represent 129 surf life saving clubs, represented by 11 branches, made up of 77,000 members and we believe that we have an important role to play for the community and government and, in today's case, in relation to tourism.

The Hon. LYNDIA VOLTZ: People overseas get an idea about Australia by how it is perceived on the television. We have a famous television program about Bondi surf lifesavers, who are professional surf lifesavers employed by council, how do you balance that with what you can actually provide?

Mr VANNY: I think we probably go back the other way, it is not only just television shows but obviously tourism heavily promotes our beaches as an attraction in Australia. I think from research that Michelle has been doing our beaches are in the top four of the areas visited by international tourists. Obviously there are also a lot of domestic visitations as well. Beaches throughout New South Wales obviously cannot be covered the way that we see in *Bondi Rescue* but we can educate people about making sure that they try to go to beaches that do have patrols, whether they be by volunteers or professional lifeguards at the time.

The Hon. LYNDIA VOLTZ: One of the big problems in the peak tourism season is not so much the people swimming in between the flags but it is the propensity for those who think they can swim outside the flags because they believe it is too crowded between the flags. They tend to be the people who are more familiar with the beach and they think they are safe swimming outside the flags. I have a bronze medallion and when I was young Bondi was not anywhere near as crowded as it is today. Bondi could get hugely crowded on the weekend or the middle of the day when I was young but now they are crowded all the time and one cannot catch a wave.

Mr VANNY: As I say, all the beaches cannot all be patrolled, and even those that are patrolled, cannot be patrolled at all hours. We find the numbers of drownings in New South Wales are significantly high. They are at their highest level probably ever, even though more resources are being put into making our beaches safer for people. It looks like about 48 drownings last year which will be one of our highest peaks. We find again that all of those drownings really either occur outside the patrolled areas or outside patrol hours. Since 2008 we have tried to set up better responsive networks when people do get into trouble so that through the work of our volunteers and other agency partners, if you like, we have significant response systems now in place which we can use 24 x 7, 365 days a year to respond to people in trouble.

We are also starting to build up education messages. We do have some recommendations that may assist in those possible areas through tourism. If there was a little further education, a little bit more of investment particularly signage, for example, at caravan parks and those types of places where the beach may not be patrolled up the front, but we have warning systems in place that we put out. Even if the people who were running the establishments, if you like, would put out some cautionary warning signs which do not have to be there all the time, could be casual "Sea is going to be up" so they put up a warning sign on the track that leads down to the beach, or whatever it may be.

The Hon. LYNDIA VOLTZ: Do you have them in different languages in high tourism density areas?

Mr VANNY: With technology we have been able to do a lot of things. We sit on the NSW Water Safety Advisory Council and through our federated structure of Surf Life Saving Australia we have significantly invested into a website called beachsafe.org.au. I will allow Michelle explain how that works because I am technically not the most competent person.

Ms BAINBRIDGE: I briefly mentioned it in my submission and I have also brought along some documents to table. Surf Life Saving Australia recently upgraded not only the beachsafe website but also the

app which is now in 72 languages which is pretty significant. People look up the app to see if beaches are patrolled, where is the closest patrolled beach in the region, hazards, watch a demonstration of the hazard signs and life saving tips, and information about water temperature and swells. That is accessible and there is also beach safety awareness videos run through that application and also on the website.

Documents tabled.

The Hon. LYNDIA VOLTZ: Is there a need for surf lifesaving patrols on the beach to have some form of greater power to move people out of dangerous situations? Some people will just ignore warnings no matter how many times they are given, and quite often they are English-speaking tourists. Do you have a view about that?

Mr VANNY: I suppose we do. From a volunteer point of view with surf life saving—we also have a commercial, if you like, company that actually employs a lot of professional lifeguards as well and particular does a lot of the tourist areas in country regions, and at peak periods. Certainly we would like to see that they perhaps could have some more powers but I do not think that we would like to be making our lifesavers into the police on the beat, sort of thing, as it would be unfair. But we do have to put up with that. What we do have is the ability, and normally very good relationships with local government, whereby the rangers do have powers to actually act under the Local Government Act when those things happen. So we can put a quick call in and someone can come down to the beach and help out our volunteers.

The Hon. LYNDIA VOLTZ: Do you also link in with maritime services?

Mr VANNY: We do. There are certainly good relationships right across the volunteer organisations through Marine Rescue. We work mainly through the police and there has been new legislation which is in relation more to rescue but the police are now the lead agency for all volunteer groups, and that will certainly work a lot better for us and we know that by contacting through the marine area command we can get police back-up straight away.

The Hon. LYNDIA VOLTZ: How are you coping with the changing demographics of surf life saving? I note that Coogee has 1,600 nippers and, quite frankly, I do not know how they cope with that many and Coledale is really struggling to stay alive but it does have a lot of tourists, particularly at Christmas. Can you disburse the life savers in those regions?

Mr VANNY: It is difficult because of the demographics that come into play. Obviously a lot of our country clubs struggle a bit when probably people at their peak when the club would need them move away from the actual area, to go university or whatever. The education programs for junior numbers are pretty well good everywhere across the State: it is holding those patrolling life savers at some of the areas like Coledale, as you say, to have those strengths. We do have a number of surf clubs particularly out of Sydney and Sydney Northern Beaches which is the Greater Sydney area that support a lot of those country clubs by sending patrols down there of a weekend, and this sort of thing, to give them a rest, if you like, so they do not have to patrol as often. We do have support mechanisms in that way. It has become quite a strong ethos with some of the larger clubs because, as you say, Coogee with 1,600 nippers, they have probably got 400 people rostered for patrol. When you look at the length of Coogee Beach—

The Hon. LYNDIA VOLTZ: It is not big and there is not a lot of surf there.

Mr VANNY: I saw some photos of Coogee the other day of when they were doing their gear inspection. I think they had enough equipment out that, if they just put that in the water, no-one could possibly lose their life there. But that is certainly not the case in a lot of our other areas. We have a massive campaign going on at Sussex Inlet at the moment. I think some of you are from down the southern areas. It is a real struggle.

The Hon. LYNDIA VOLTZ: How are you going in terms of equipment, such as rubber duckies and those types of things? Are all the clubs up to scratch, or is there still leeway in equipment?

Mr VANNY: We are always continually fundraising to try and get that through, but we have had more support from the Government of recent times and that has continued to grow. It is not just monetary support; it is recognition as well of what we do. We have always sat on the fringes of not really being an emergency

service because we have been a proactive organisation. We are not just responding to rescues. We are sort of there to make sure that people do not get into trouble.

The Hon. LYNDIA VOLTZ: Deterring them, yes.

Mr VANNY: We do not turn up when the trouble starts, sort of thing. But we have, probably in the last five years significantly increased, through our surf emergency response system, teams of people who have far better equipment—even to do searches of a night-time and that type of thing—which is way outside the scope of where we would have been only a decade ago.

The Hon. JAN BARHAM: I want to follow up some of the local government issues. I used to be the Mayor of Byron Bay so I dealt with stuff up there for a long time. One thing we were able to do was determine the use of section 94 funds for emergency services that normally went to bushfire services also went to surf lifesaving to get a jet ski because in Byron that was a useful tool to go out there.

Mr VANNY: Correct.

The Hon. JAN BARHAM: We got one for Brunswick as well. This idea that local government could make more of a contribution in recognition of the important work that you do is something that is really important when you see the list of how many beaches you survey. Have you explored the section 94 funding model? Are you looking at just special rate variation? I am wondering if anyone has done that.

Mr VANNY: I think in the instance you are talking about when you were at Byron Bay, that would have been one of the first for section 94 to be used in that way.

The Hon. JAN BARHAM: Yes.

Mr VANNY: I think it has been used, obviously, in some of the surf club refurbishments. They have used some funding—occasionally from various local governments—but I have not heard of anyone actually coming forward with equipment out of that section, which is an interesting one.

The Hon. JAN BARHAM: It is certainly worth exploring because it is akin to where local government does collect money from development for that developer contribution. Normally it goes to bushfires or whatever is deemed emergency services. I think it is really important that you are recognised for that work.

Mr VANNY: We probably have to check the legislation too because we are not a semi-government body as an emergency service. If that money can only go to a recognised emergency service, such as the State Emergency Service [SES] or the Rural Fire Service or Marine Rescue, we may be out of the loop of that. But certainly we would be keen.

The Hon. JAN BARHAM: I think that is one thing the inquiry can do—find out where it does stand. When we got our legal advice, we were able to do it.

Mr VANNY: I would follow it up also more on whether it is just rescue equipment or whether it can actually provide more of the—

The Hon. JAN BARHAM: Ah, my next point—the services? The cost of services?

Mr VANNY: You are one of the few councils that actually has extended to meet the need. Forget Surf Life Saving, and just representing the citizens of New South Wales because I live in a coastal suburb, I really do not think it is up to the residents of the coastal suburbs necessarily through rates all the time to have to pay those things.

The Hon. PAUL GREEN: Hear, hear.

Mr VANNY: I do not know what the solution is but that is the first one I know that has been covered.

The Hon. JAN BARHAM: They do.

The Hon. PAUL GREEN: Estate agencies should contribute.

The Hon. JAN BARHAM: This is my next point. One of the big calls that happened was when the Crown took back the management of caravan parks and stopped contributing towards surf lifesaving.

The Hon. PAUL GREEN: That is right.

Mr VANNY: Yes.

The Hon. JAN BARHAM: That was a big issue. I am wondering if you know how much contribution comes from adjacent Crown caravan parks or any—

The Hon. PAUL GREEN: National parks?

The Hon. JAN BARHAM: Yes, or national parks, where they are attractors. Are they contributing back from Crown funds, or does it just fall back on local government?

Mr VANNY: In the main, it falls back on local government. I will try to stretch my memory a bit. In Byron as an example you have got the trust in there, which covered part of it.

The Hon. JAN BARHAM: Yes, the trust pays but not—

Mr VANNY: But not to the levels that were asked. Every time we look at national parks, they have no money that seems to be budgeted or forthcoming to put into lifesaving services.

The Hon. JAN BARHAM: Clarkes Beach caravan park when the council managed it, a proportion of the funds or the profits used to go into surf lifesaving. When the Crown took that back, that money dried up.

Mr VANNY: I think the same happened at Evans Head as well.

The Hon. JAN BARHAM: Yes. I was not sure if it was Evans Head, but I thought so.

Mr VANNY: I am pretty sure it is the Silver Sands caravan park and I think the same thing has happened there because I know a number of residents have complained about that. It is certainly something on how we can better manage. I do not really know how some of the regional areas cope. I know our lifesavers really struggle because they are only on for a weekend; they are volunteers. Whether it is the South Coast and a massive influx of domestic tourists or whether they are international, the population just explodes. I know that there are a lot of other resources under pressure, but the loss of life is a pretty important one, particularly when the beaches are used so much. The main reason so many people are going to the areas that we are talking about is because of the water.

The Hon. JAN BARHAM: They beach is the attractor.

Mr VANNY: They are going there to have their summer holiday. We have to struggle. We had a local government, for example, where we used to have a contract to provide lifeguards to stay for the six weeks at Christmas. They actually went for a rate increase and did not get it and then basically said they could not afford to put the lifeguard service in place. They then went to local businesses and local businesses for one year paid so that the people, who were coming to the shire where it was, would not be putting their lives at risk, which was pretty horrendous at the time. Then of course we had the volunteer side. As soon as the local businesses started to pay for the paid lifeguard service, they did not have the money to contribute to the clubs to do the volunteer service. That is one and probably the most alarming I have actually seen where the local government threatened to stop all patrols.

The Hon. STEVE WHAN: That was on the South Coast, was it not?

Mr VANNY: Yes.

The Hon. JAN BARHAM: You mentioned the need for consistency in messaging and the wearing of colours and consistent messages. Is there enough information provided to overseas incoming tourists? Are they getting enough information before they get off the plane and head for a beach? Is there enough in their little

goody pack, on the film and on the plane? Is it embedded in their heads that this is dangerous stuff, if they do not have that basic awareness?

Mr VANNY: I think it is something that tourism has always struggled with because, as I said, we use the beaches to promote for people to come here, but then we do not want to scare them off by sort of saying, "When you go to the beach, this is going to happen."

The Hon. JAN BARHAM: But it is a safety message, though, is it not?

Mr VANNY: Safety messages started back again on the airlines only two years ago. That was through, luckily, a partnership that was done by Surf Life Saving Australia with Virgin Airlines. Then some of the Federal money came through Saving Lives in the Water program was put into Surf Life Saving—very minimal money. I think for the whole program we are talking about \$40,000 to \$80,000 a year to run the program, so it is very small.

The Hon. JAN BARHAM: So we do not have a situation where every incoming flight shows a surf safety film?

Mr VANNY: No. Qantas does not.

The Hon. JAN BARHAM: No.

Mr VANNY: Some of the other airlines do.

The Hon. JAN BARHAM: But considering the level of loss of life, and so many of them being foreign visitors to our shores, surely we have a duty of care to do that—to make an effort to inform. In relation to some of these materials, can you advise whether these are in the airport and in accommodation places?

Ms BAINBRIDGE: Yes. I am sorry, I should have mentioned that before. Yes, sorry, those documents that were circulated have gone to accommodation providers and visitor centres. About 50,000 of those have been distributed around New South Wales.

The Hon. JAN BARHAM: Have you done an app?

Ms BAINBRIDGE: The website there leads back to the app I was referring to before.

The Hon. JAN BARHAM: Beachsafe?

Ms BAINBRIDGE: Yes.

Mr VANNY: That is the one that they can get in 72 languages.

Ms BAINBRIDGE: That is right.

Mr VANNY: We have a link that takes them back to the website and they can use Google translator.

Ms BAINBRIDGE: It is like a Google translation service.

Mr VANNY: That is something that we really need to promote, I think. It is a simple thing. They can type in the beach they are at and all the information will come up.

Ms BAINBRIDGE: And that information has come out in the last couple of years. We joined a partnership with North Coast Tourism, which helped distribute a lot of those things, but we do not have the ongoing funding to be able to deliver those resources to the rest of the State, so at the moment it is if accommodation providers ask us for those resources we send them out.

The Hon. JAN BARHAM: It is another thing that councils, if money was raised, could do. When Steve Leahy was up there, we produced a pocket card that we handed out, and all the accommodation providers had big posters in their foyers, so if you have that point of contact where people can see it, you can at least hope—but congratulations on all the great work.

Mr VANNY: Thanks for the congratulations. It is surprising that a lot of people think the safety messages are on all the airlines and that sort of thing, but they are not. I was just checking some of my notes and they are on China Airlines, Garuda International, Malaysian Airlines, Philippine Airlines, Singapore Airlines and South African Airways.

The Hon. JAN BARHAM: I think it should be mandatory; I think it is one thing that we, as a country, should have in place. There is nothing worse than speaking with the parents or partner of someone who has been lost because they have been drunk or not paid attention to the flags; it is a tragic and preventable loss of life.

The Hon. PAUL GREEN: Unfortunately, stupidity also plays a part.

The Hon. JAN BARHAM: But sometimes a stupid person has a smart friend.

Mr VANNY: Correct.

The Hon. PAUL GREEN: It is bizarre that for years in the Shoalhaven we were trying to get Crown Lands to use some of the money through the Crown Lands Trust to fund surf lifesaving. Given the fact that they were getting all the accommodation money from tourists coming down and staying in vans, it was a no brainer. Over time it has been restricted and brought back right up the east coast, I think, which is crazy. Secondly, the national parks once again were not contributing to this, so you guys were carrying the load and continue to carry the load. Then there were the issues of liability. Are all the signs along the east coast uniform now? I think there was a national system to try to get one clear message along the coast. Has that taken place?

Mr VANNY: They are not the same at the moment, but we received funding two years ago to carry out Project Blueprint, which is probably the most extensive audit ever undertaken anywhere of any coastal environment, but it is happening in New South Wales. We have a team of people who are auditing all the way, from the north to the south, every beach, rock platform, boat ramp, access way, every sign that is up, every amenity, and the other day I gave Minister Gallacher and the Treasurer the first report, and just by the weight they could not believe the amount of work that had gone into it. There are a number of things that will happen with Project Blueprint. We are into our second year of funding now. We did the 10 highest black spot regions by drowning, because we wanted to knock those over first, and obviously a lot of them were on the north coast, but even down in the south there are significant numbers of drowning.

The Hon. PAUL GREEN: There have been a couple at Mollymook beach.

Mr VANNY: Correct. There was a State summary of those 10 municipal areas—there were 10 municipal areas and one national park in the first year's audits. A state summary has now gone through to the Minister for Police and Emergency Services personnel.

The Hon. PAUL GREEN: Were those particular spots all GPS?

Mr VANNY: Yes, and there were recommendations for consistent signage. Already there have been concerns I hear in the background raised by national parks or parks and wildlife about who pays for these recommendations and what comes out. We have put no liability with it at all, but it is so important to highlight if there is something simple that can be done to help prevent the loss of life, and this project will be the most significant along the way, but I do not think anyone disagrees with the fact that we should have consistent signage. It is a very simple thing. Just on Project Blueprint, the other thing we are trying to do through this project, we are working particularly with the Victorian Government and some committees to put together an emergency marker system along the coast, because that has never existed. There is no true emergency marker grid system along the New South Wales coastline, so when someone says there is someone drowning at Shelley Beach—

The Hon. PAUL GREEN: Hence the point about GPS.

Mr VANNY: Yes, because there would be 10 Shelley beaches in New South Wales and no-one knows where it really is, but the way they are doing the marker system is that it will also have all the access ways and everything else mapped, so people will actually know how to get there. It is a very exciting project and I think the Government overall needs to be commended. They tend to be biting the bullet now and saying, "Let's not

hide. We know there are problems, so let's get the problems put on the table and look at some proper solutions to help reduce these."

The Hon. PAUL GREEN: The Hon. Lynda Voltz made a good comment about Nippers. It is great to hear that they are in big supply here, but my recent attention was drawn to one of the surf clubs on the South Coast that has not got the volunteers to run it, which is pretty distressing news. How do you see we manage that when that whole generation, which contributes to beach safety through our peak holiday seasons, could be lost?

Mr VANNY: We are working on it. Unfortunately, Surf Life Saving in New South Wales being around for 106 or 107 years, we do not actually take change very rapidly either, so we have to look at things and see how we can get around these problems. Everything does change. Traditionally, the junior movement, for example, which was born about 50 years ago, started in individual clubs, and in a couple of years time it will celebrate 50 years since becoming an organisation under Surf New South Wales. We are looking at different classes of licensing agreements with people who wish to conduct educational activities for junior members that may not necessarily even have a surf club on the beach, which is not fully supported by some of the older brigade of the membership—but that is parliamentary privilege so I will not get sacked—but it is certainly something that needs to be looked at because some people can provide the service, but it is not like the old days where just because there are people there you can come along and build a surf club.

The cost of building a surf club and making sure you have enough members and can run it, the whole lot, is very difficult. We have had to become more mobile in our adaptability and I think some of our licensing agreements that we are looking at—and when I say licensing, it is just making sure that the people are registered with us, they will go through our surf guard systems, they will do our working with children checks, they will do our age manager courses, and all of our educational materials will be used, that sort of thing, so everything is done in the right way. That is what we are trying to bring about. One of the trial ones could well be down at Kioloa, for example. There is a group of parents who have battled there for probably five years to try to set up something and finally it was one of the catalysts to say that we really need to do something.

The Hon. PAUL GREEN: In terms of infrastructure, one of the reasons we are trying to work through this is because of your ability to resource asset maintenance when you have high visitation, particularly in peak season. How are you finding that?

Mr VANNY: The greatest challenges we face are with the signage and how to get the resources to educate people. I was talking before about temporary signage. If someone is running a caravan park the last thing they want to do is to think, "I have to get some signs made to tell people what the beach conditions are today." I honestly believe that if that did come to fruition then a lot of lives would not be lost. It is just warning people that the seas are up and that rips are running. That could save—

The Hon. PAUL GREEN: Would they do that at the caravan park? Would there be an announcement?

Mr VANNY: They could even have a temporary sign or something. It could be done that way.

The Hon. PAUL GREEN: If they come up to the office they could see the conditions for the day like they do with fire boards.

Mr VANNY: They might have something that they could put into amenities blocks in the morning as a warning. When people go to have a shower they would see it and say, "Oh, there is a severe weather warning today."

Ms BAINBRIDGE: I think we have got better in the last few years at delivering those sorts of messages. It comes from the Bureau of Meteorology, as well. So you probably pick up a lot in the media now because we are sending out media releases. When the surf is up you will probably hear about it. Also, in the school holidays and at Christmas—in peak periods—and during hot weather like last week, when it was out of the patrol season, we remind people where there are lifeguard services at that time of year. Those sorts of things have improved, I think.

CHAIR: Following on from that, have you approached park operators, or similar, to have signage? If so, was there resistance or was there a mood where they would be quite happy to do something like this if it did not cost them anything?

Mr VANNY: We have--particularly where we have a significant presence with our contractor life-guarding systems and those sorts of things. We also have those signs on the beach every day, because we are doing beaches seven days a week. So, all the warning signs are there. The people are very good and we build up relationships with those people. There has not been a lot of resistance. As Michelle was saying, I think people have more awareness. There is more technology about so we can get the messages out faster these days. We need to put a system in place where people are educated that they all have a role to play in beach safety to protect the tourists—international and domestic—during the peak period of summer.

CHAIR: Is there a requirement for first aid? I know there is around pools. Where parks back onto beach areas which are not necessarily patrolled is there a requirement to have signs showing basic cardiopulmonary resuscitation—CPR?

Mr VANNY: The requirement for CPR posters only applies to pools.

Mr SCOT MacDONALD: Thank you for coming. It must be good to have a Prime Minister who is a surf lifesaver.

Mr VANNY: I presented him with some board shorts a while back.

The Hon. LYNDA VOLTZ: It would be good if he wore those.

Mr SCOT MacDONALD: We will make that a recommendation. It is better to have him than a Prime Minister who was drowning! I will put it that way.

CHAIR: Are you able to outline—obviously I do not want you to go into budgetary details—your sources of income and revenue to allow you to operate here in New South Wales?

Mr VANNY: From a Government perspective?

CHAIR: Obviously there is funding by Government and there are fundraising and business donations. Are there any other sources of income?

Mr VANNY: The Government's contributions have gone up significantly. I will give you an explanation. The Department of Sport and Recreation support us, as does the Ministry of Police and Emergency Services. The Department of Sport and Recreation gives us \$2 million a year, which goes directly to refurbishing and rebuilding surf clubs. We just administer the program for them. We do not actually have any of that money. Our operational money comes through the Ministry for Police and Emergency Services. We get \$1.7 million in secure, ongoing funding. We have received an additional \$1 million per year; we are now going into the third year of that program. And we have a number of other grants that have been given to us—for Project Blueprint and that sort of thing—but most of those grants are tied to delivering the program that the grant is given for. So we have no excess there.

Member contributions come in, which cover public liability insurance and those sorts of things for our members. So we get money from that source. We also run, from the surf lifesaving services side, a lifeguard service. And we do first aid training and that sort of thing for a fee. We do a lot more of that than we used to. Our total income for Surf Lifesaving NSW this year would be just over \$20 million. Our significant partner is DHL. They are represented on our uniforms. We have had good support from Westpac over the years; the majority of their funding tends to go towards helicopters. We have also had Telstra and others that have come and gone.

The Hon. STEVE WHAN: How much do you raise out of telephone marketing?

Mr VANNY: Telemarketing?

The Hon. STEVE WHAN: Yes.

Mr VANNY: We do telemarketing in New South Wales probably a little bit differently to the rest of the country. After about two years of debate—as I said, we do not change things very quickly—the clubs and branches agreed that they would let Surf Lifesaving NSW try to raise funds from the public, State-wide. We only started doing that four years ago. We take the net proceeds of fundraising—anything in New South Wales

from raffle sales and our Guardians of the Surf program—and we split 75 per cent of those funds evenly with every club and branch. So, it does not matter how big the club is, whether it is Coogee or Shoalhaven Heads. That has always been done that way to pay some of the bills that you cannot get any support for—such as electricity to turn on the lights in the club house.

Last year, for example, we gave out \$5,858 to every club. This year, if the board approve it on Monday night, we will give out \$6,311 to each club—so it is growing. It is a great program. This year, through one of our partners, through *The Daily Telegraph*, we put some messages of thanks back to the community of New South Wales for their donations. The funding is tight. It has to be spent on lifesaving equipment, education and those sorts of things in our clubs. We normally send cheques out in December but this year we will be trying to get some of our media partners to promote and thank the people in the community. We will try, again, to put a safety message with that. The safety message we last used was, "If we can't see you we can't save you." That was on in-flight videos and that sort of thing. So we will probably push that out again at Christmas time.

CHAIR: I noticed up in Queensland that some of the local clubs were running restaurants and cafes. I spoke to one of the surf lifesavers here in New South Wales and they said that it was something they had thought about but the demands and revenue that council wanted did not make it viable. Are you aware of any clubs across New South Wales that operate other businesses to ensure that they have the funds to operate?

Mr VANNY: Very few run businesses. Probably the most prominent ones in the last decade would be through the Sutherland Shire Council. They allowed Wanda Surf Club to put in a fairly large gymnasium for the use of the public. The next club down south is Elouera Surf Life Saving Club. They put in a restaurant at the top of Elouera. And they have done a bit of work at Cronulla and North Cronulla. But those are probably the main ones. We only have two surf clubs that are licenced clubs: Coffs Harbour Surf Lifesaving Club and Cudgen Headland Surf Life Saving Club. They are the only two surf clubs in the State that come under the Registered Clubs Act.

CHAIR: Is it good for them to look at doing that or is it too much of a burden for some of those clubs to consider that?

The Hon. JAN BARHAM: Is the Crown not negotiating with some clubs at the moment about new agreements to—

Mr VANNY: That is Wednesday's meeting. There is a lot of talk going on. A lot of our clubs are not in a position to do it any way—for geographic reasons or because they do not have the manpower. A lot of them cannot even run a kiosk because deliveries only come in Monday to Friday and they do not have the people to do that sort of thing. We go from the very small to the very opportunistic. What we are trying to do at the moment with Crown lands is to satisfy 80 per cent of our clubs that want a better long-term tenure of lease and pay a standard lease and not get pushed around too much by local government. There are a few good arguments going on at the moment. There have been large Federal Government grants recently, and State Government money and club money and local government money goes in to rebuild the surf club or the like, but then the primary purpose of surf lifesaving is being usurped a little bit because people see it as, "Wow, we could make some money out of this room." It is not necessarily the surf club that is making the money.

CHAIR: The final question is in relation to the Pricewaterhouse Coopers report that you referred to in which the financial savings from surf lifesaving has been estimated. Will you outline some of the key findings from that report?

Mr VANNY: Are you talking about the \$1.6 million?

CHAIR: Yes, in New South Wales.

Mr VANNY: A lot of it is based on the number of people who would lose their licence if surf lifesaving did not exist, so they put the multiplication factors into the statement that there would be at least 600 people if there was no-one on the beaches protecting them.

Mr SCOT MacDONALD: It is an opportunity cost?

Mr VANNY: Yes. The 2011 report started to put in some of the beneficial costs that are brought in by the health and fitness factor that our movement brings, leadership skills, keeping people off the streets. There

are a lot of benefits that surf lifesaving creates that people do not realise. Today we are talking about protecting people, educating people and making sure they do not lose their life on the beach. The surf lifesaving movement is changing to a mission of saving lives, creating greater strains and building better communities. I think that is what we do well. It is not just the saving lives. It is creating great leaders in our communities, giving great opportunities to youth, developing people and giving them skills for life, whether they are lifesaving skills, people skills or management skills.

Mr SCOT MacDONALD: Prime ministerial skills?

Mr VANNY: Often the hub of the community is where the surf club is, particularly in the smaller areas. There are many other community groups that use the surf club as a meeting room, whatever it may be. The value that surf lifesaving gives to the community is really significant. Obviously there are the hours put in and the multiplication factor of the volunteer hours and those types of things.

The Hon. LYNDA VOLTZ: And the improved health benefits, particularly in ageing communities.

Mr VANNY: They talk about obesity and this sort of thing, which is great, because we do it for the younger ones, but a lot of the elderly people—

The Hon. LYNDA VOLTZ: You see 80-year-olds down there doing surf lifesaving.

Mr VANNY: It is the whole base of their life. They have their own coffee clubs or walking clubs. They go for a walk once a month and they stick together and drag other people in who may not be club members and the like. They organise things, so it is good.

Mr SCOT MacDONALD: We have to make recommendations. I come back to Crown lands. Does the Government need to be doing something there? It sounds like you are renegotiating and streamlining, whatever you are doing with Crown lands. Is it something we can put a rocket under?

The Hon. JAN BARHAM: Will you tell us?

Mr VANNY: Security of tenure is the greatest thing. Without mentioning the council, one that we are dealing with at the moment is the surf club has been offered a one-year licence.

Mr SCOT MacDONALD: Why would they do that?

Mr VANNY: I do not know.

Mr SCOT MacDONALD: Is there some change of use that they are contemplating?

The Hon. PAUL GREEN: Is that metro?

Mr VANNY: No, country.

Mr SCOT MacDONALD: Security of tenure.

Mr VANNY: Security of tenure, yes, certainly.

The Hon. PAUL GREEN: Is that a reception centre as well?

Mr VANNY: That is what the local council is looking at using it for. It is interesting, because they want a 20-year lease off the Crown as the trust, but then the trust only want to give the surf club a one-year licence.

Mr SCOT MacDONALD: Is there a term that is generally preferred, such as 20 years, so it is something you can work with?

Mr VANNY: We are talking about 20 to 40 years. The people we are talking to in Government are quite supportive, but it is getting it through. We have a group in the New South Wales Parliament from

parliamentary friends, and they are outraged every time this comes up. It is like, "This cannot be happening", but it does.

The Hon. LYNDA VOLTZ: Paul's fault again.

Mr VANNY: They are quite outraged. They are like, "What is going on with this?" There has been a lot of change in Crown lands, and there are new people there. We had a meeting a couple of months back to clear the slate. There is a new director general, whatever it may be, and a new director of east who looks after the beach. They have been very supportive and are open to ideas.

The Hon. JAN BARHAM: Historically there were issues with how they were managed. Our surf club was being used as a de facto backpackers club for a while.

The Hon. PAUL GREEN: You have to have the context.

The Hon. JAN BARHAM: You have done the study on how many clubs are at risk in respect of sea level rise.

Mr VANNY: We have a group that looks at that.

The Hon. JAN BARHAM: Storm damage, whatever.

Mr VANNY: Yes. One of our Surf Australia counterparts has been heavily and actively involved in it. We have a couple of clubs under pressure at the moment, but certainly it is being monitored fairly heavily.

The Hon. JAN BARHAM: The Tweed is in trouble.

Mr VANNY: Yes, there are a few. Taree is one. There was certainly one up at Fingal Bay.

The Hon. JAN BARHAM: Byron went in the fifties, so it has had its go and got a new one.

Mr VANNY: Yes, there has been a few.

The Hon. JAN BARHAM: Is that on the agenda with the State Government regularly?

Mr VANNY: Yes.

The Hon. JAN BARHAM: It sounds like we might need to get people in from Crown lands.

Mr SCOT MacDONALD: Enjoy your new Prime Minister.

CHAIR: Thank you very much for appearing this afternoon. Any questions taken on notice or that are forwarded on will be required to be answered in 21 days.

Ms BAINBRIDGE: Thank you very much.

Mr VANNY: I thank the committee. If we can, we would like to engage more with Destination NSW to see what we can do about the beach safehabs and some of the outcomes there to get education through. That would be the main thing.

Ms BAINBRIDGE: And sharing links. Facebook and social media is really important at the moment.

The Hon. JAN BARHAM: Most councils now have a link on their websites. You are asking for the State to do the same?

The Hon. LYNDA VOLTZ: It would make sense to put it on the tourism website.

Mr VANNY: Yes.

(Short adjournment)

NEIL LINDSAY McGAFFIN, Executive Director, Rural and Regional Planning, Department of Planning and Infrastructure, and

NEIL SELMON, Director, Planning Coordination and Support, Planning Operations and Regional Delivery, Department of Planning and Infrastructure, affirmed and examined:

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

Mr McGAFFIN: Yes. Firstly, please let me apologise. Richard Pearson is ill today and not able to appear before the Committee. He was the one who was prepared for this presentation. Certainly the department recognises that tourism plays an integral role in the development industry, particularly along the coast and in western New South Wales where it is the main driver of many of the economic activities that occur. The role that Neil and I play in particular is assisting councils in the preparation of their local environmental plans [LEP]: the land-use controls that basically stipulate what land uses are permissible in the zones throughout a local government area [LGA].

The activity that we have been working on for the past seven or eight years is the standard instrument local environmental plan. We are slowly chewing through the 152 LGAs in the State. To assist councils in achieving an LEP for their area we put out what we call a standard instrument and that identifies what we refer to as black letter law that they have to have as far as zone names and some clauses and things like that. Where it is not in black letters, then the council is able to be flexible and able to approve uses and activities in a variety of zones—either permitted outright, permitted with consent or prohibited. There is a tourism zone that is promoted. We do not force councils to prohibit tourism uses in any particular zone. There are some tourist and visitor accommodation that is mandated as permissible in one of the zones, but apart from that the basic flexibility is left up to the individual councils so that the local circumstances are reflected in their controls. That is about all I would like to start with.

The Hon. LYNDIA VOLTZ: The Committee has heard evidence from representatives from a number of local councils. It occurs to me that there are a range of problems which are quite different in different areas. For example, the further north one goes into the warmer areas one tends to get problems with holiday lettings, but as one goes south of Sydney—using Sydney as the grid square—one tends to get a real reliance on holiday lettings. How do you in planning resolve that the State is not homogeneous, that these regions are hugely different and will have different planning-process needs going forward?

Mr McGAFFIN: Holiday letting is a really good example about how it is dealt with so differently throughout the State. A recent court case revealed that in Gosford, I think it was, the use of a dwelling for short-term holiday letting was a prohibited use because it was not defined as a residential activity. That has had ramifications and the department is in the process of doing a position paper on what the implications are and the potential options to resolve that. Needless to say, you have councils like Shoalhaven that are comfortable with their holiday letting and do not have that much of a problem, you have the adjoining municipality to the north, Kiama, and they want to manage it, they want a licensing mechanism, they are happy to police it, they are happy to monitor it, they are happy to manage it.

The actual use is not controlled through the standard instrument LEP but we are mindful, particularly because of the recent court case, that we need to do some work, because there are some councils out there saying, "If that is the decision of the court, what are the implications for my council?" Byron, in particular, has a very high percentage of holiday letting. That is a work in progress. So I do not have anything to be able to report as an outcome at this stage.

The Hon. LYNDIA VOLTZ: Another question I want to ask is about infrastructure. Do you guys cover infrastructure as well?

Mr McGAFFIN: Depending on what type of infrastructure you are talking about.

The Hon. LYNDIA VOLTZ: For example, the State Government will invest heavily in cruise ship facilities within Sydney Harbour, but how do you balance out what is a global city—the city of Sydney obviously wants cruise ships coming here and it is very important—that kind of significant investment against investment that goes into other regional tourism areas that have a large impact or could get economic growth through, for example, putting some kind of cruise facilities and infrastructure into a place like Eden?

Mr McGAFFIN: As you know, the cruise ships are now going into Eden with the new port down there. Our organisation is not one that invests money in tourism infrastructure per se. What we will do is either regulate or, for instance, if someone comes in and wants to create a marina or a significant item of infrastructure we will do a merit-based assessment of that, but we do not direct funding to a marina at Coffs Harbour as opposed to one at Batemans Bay. We do not get into that; we are reactive.

The Hon. LYNDIA VOLTZ: But I assume the investment into the Overseas Passenger Terminal in Sydney Harbour is invested by Ports or Maritime Services.

Mr McGAFFIN: A range of authorities are interested in that.

The Hon. LYNDIA VOLTZ: Sydney Harbour Foreshore Authority mainly, which gets significant benefit from the State Government. It is more a question of who is doing the oversight of infrastructure investment. That is really what I am asking, and how they balance that.

Mr McGAFFIN: That is a good question. I do not have an answer for that in that we will respond to a proposal to change the zoning that will allow the infrastructure to be created and the investment to be made. What we do not do is say, "We are not going to support this zoning in this location because that is not where the money should be spent. It should be spent somewhere else".

The Hon. LYNDIA VOLTZ: Another planning issue that occurs to me, and it is because it is topical at the moment: we have spoken about the second airport coming in and where it should be. I asked the people from Transport earlier about this. If there is to be built a second airport to increase capacity into Sydney—I think the figures show that most people come to Sydney as the first port of call from overseas and then they go to the reef and the rock and those kinds of things—what planning is being done around movement in what is already a congested city area in terms of travel? If the Government does make an announcement about building a second airport is there a view about how we are going to deal with those issues? Is there a long-term planning strategy or is it that the announcement will come and then the planning comes later?

Mr McGAFFIN: That is a really difficult situation.

The Hon. LYNDIA VOLTZ: I know it is a difficult one but it worries me that the airport gets talked about to the point where you are probably aware the Government might make an announcement but people cannot really answer the question about how in an already congested environment we are going to move the people. For example, I live at Bardwell Park, which, as you know, is near Sydney airport. I went to Parramatta via my daughter's high school at Canterbury the other day. I left at 8.10 in the morning and I arrived at Parramatta at 9.50. That is an hour and 40 minutes. People in the country might talk about congestion but that is 25, 30 kilometres and it took an hour and 40 minutes. They are the kind of travel times you are talking about in these regions.

Mr McGAFFIN: The issue about transport is covered in a couple of strategic documents in particular. One is the metro strategy that has been put out as a draft and submissions have been received and that is in the process of being finalised. There is also a coordinated transport plan, as I understand it, put out by Transport for NSW, and certainly the airport takes an active interest in what happens both close to the airport and what impinges on people getting to and from the airport in an efficient manner.

The Hon. LYNDIA VOLTZ: That is the current airport.

Mr McGAFFIN: That is correct. Certainly the planning for the airport in the western area is already in place as far as we have noise attenuation contours and things like that that are accommodating the airport that is not there. That is facilitated for. I do not have any direct answers, but certainly the congestion created by the airport, the port and particularly freight movements—and time is money—

The Hon. LYNDIA VOLTZ: And possibly WestConnex—that will also come out at that point.

Mr McGAFFIN: That is true, and certainly I know the Government has identified that as a hotspot. But I am also quite sure that the solutions have not been arrived at as yet either. Again, I would imagine that once the solution or the preferred options on what to do as far as investing in the infrastructure, if there is a need for zones to be changed and things like that, that we will respond to those. The only other thing is that the metro

strategy identifies the airport and the link from the airport through the city out to Parramatta, in that global arc, for employment purposes. So it picks that up, but it does not solve the congestion issue unfortunately.

The Hon. LYNDIA VOLTZ: I just want to go to another point that has been raised and that is about caravan parks. You would know them as grey nomads—the campervan people. Do you guys have a view of a way of improving grey nomad access into the caravan parks? There seems to be some kind of restrictions because campervans are using truck stops and a whole range of other things and caravan parks feel that is a burden, but also when they go into the caravan parks it is kind of restrictive about how they can structure what they do in terms of the models because they will come in for a couple of nights, use a lot of resources and it is a negative return to the caravan park owners.

Mr McGAFFIN: Again you are talking primarily about the range of options or the range of facilities that are available within any particular caravan park and the clientele that use it in a variety of degrees. What we will do is look at the appropriateness of a location of a caravan park or the appropriateness of an expansion of a caravan park, but we do not get involved in how many sites, we do not get involved in permanent sites versus temporary sites and camping sites versus those caravans that come in with their own amenities and just have to hook up to the sewer and things like that. That is more for the caravan park operator and, I guess, the caravan park industry. We only look at whether it is an appropriate location for that caravan park to be.

The Hon. JAN BARHAM: And local government has rules; they do the licences. My favourite issue for 12 years is holiday lets. I am surprised to hear you say that this Gosford decision has raised alarm bells about the court finding that it is an unregulated or prohibited use, considering that we have got 1990 North Sydney Council, 2002 Sutherland Shire, 2006 City of Sydney, 2007 Byron Shire Council v Greenberg and 2008 City of Sydney. Then there are the Rural Fires Act and the Building Code of Australia [BCA] requirements about tourism, and many letters and correspondence along the way. There was a time that the department seemed to be saying that it was up to councils to work it out. Byron Shire Council tried to do that. The council drafted amendments and was then told—the word used was "encouraged"—to desist because the State was looking at it. This was back in 2009. So the council's ability to take action was put on hold waiting for the department to act; and then all we got were guidelines quite a few years later. Are you aware of the Western Australian guidelines that require approval?

Mr McGAFFIN: No, I am not.

The Hon. JAN BARHAM: They are from the Western Australian Planning Commission from September 2009 entitled "Short-term use of residential dwellings". They have code and all of that but they also require planning application approval considerations. It is an unlawful use, and it has been known by the courts and I presume the Department for a long time. This is an unregulated use that puts visitors at risk, does it not?

Mr McGAFFIN: I am not sure about putting visitors at risk. I acknowledge the fact that certain court cases have identified it as an illegal use in a residential area for a variety of reasons, including the impact caused on adjoining owners—in this case, the family next door. I guess it has stirred the department into looking at it in more detail on the basis that the most recent court case has received a lot of publicity. It is receiving that attention but I do not have an outcome to be able to provide to you today.

The Hon. JAN BARHAM: Are you not aware of the Building Code of Australia requirements for a differentiation in classification as to whether or not the building is used as a dwelling or for a boarding house or tourism use?

Mr SELMON: To clarify, the Gosford court case was around the fact that the house was being used full-time—that is, permanently. So no owner was living there at all at any time. The court found that not only did it have to be a residence—

The Hon. JAN BARHAM: It was not ancillary.

Mr SELMON: Yes, it had to be used as a house for at least part of the time in what the court described as the normal way someone would use a house. The problem for Gosford in that case was that in that particular zone tourist and visitor accommodation was prohibited. As Neil was explaining before, the way our standard local environment plan [LEP] works is that there is a whole lot of standard definitions. So we have a definition of tourist and visitor accommodation. As I understand it, the argument is around whether or not short-term holiday letting of a house is tourist and visitor accommodation. I think that is what the Gosford case has thrown

into greater focus; that is, in many cases single dwelling houses have been let out as short-term accommodation either full-time—

The Hon. JAN BARHAM: But not as a permanent use.

Mr SELMON: Yes that is right.

The Hon. JAN BARHAM: I think that is the point—and surely it is the whole reasoning behind the differentiation in zonings—that you do not put an industrial area in the middle of a residential area, for example. That is what the town planning act was for.

Mr SELMON: Yes, that was the nub of the Gosford case—that it was used permanently full-time.

The Hon. JAN BARHAM: I think we have come to the point that anything under three months—so it may be let out in peak periods but you have permanent residents there for the rest of the time—falls under a leases provision that that would be an ancillary use. But we are seeing purpose-built mini hotels basically in some areas. My area probably had that first go at it, but there have been moves in other states. Are you aware of the work that the National Sea Change Taskforce has done looking at this issue in key areas in other states?

Mr McGAFFIN: No.

The Hon. JAN BARHAM: This is one of those things I am not familiar with: whether with a change of government everything gets thrown out and you have to resend everything that has gone before. All of this information has previously been sent to government, including all of those judgements that were very clear about the definition of a dwelling. What am wondering now is where the template is at. Are you defining tourism as a distinguishable separate use from residential to ensure the amenity of residential areas and tourism are not clashing, or is it back with councils to add in those permissible uses into certain zones?

Mr SELMON: The latter I think. And that is what we have been saying—we have been letting councils make that call. We have a practice notice, as you would probably be aware, about providing for tourism uses in standard instrumental local environment plans.

The Hon. JAN BARHAM: What is the date on that one?

Mr SELMON: It is from 2009.

The Hon. JAN BARHAM: Well that is when Byron Shire Council proceeded to do it and then got stopped. So this is what I am wondering. I know that there is some extreme pressure that has come from all parties on this so I just wonder whether or not that still applies.

Mr McGAFFIN: It still applies, and we are looking at the definitions because of the change from I guess the standard instrument program into a local plan under the white paper. We have not finalised anything at the moment for me to be able to say, "Yes, it is covered," or, "No, it is not,"—or whether there is a separate definition or anything like that at this stage.

The Hon. JAN BARHAM: Just out of interest, do you know whether or not you have put any responses back to Byron Shire Council about its draft LEP and whether or not you have supported it defining holiday letting as an appropriate use in a residential zone?

Mr McGAFFIN: I honestly do not know, but if the council had wanted to define it as a separate use in a residential zone then I am not convinced that we would deny them that opportunity.

The Hon. JAN BARHAM: I will check and I might put a question to you on notice.

The Hon. PAUL GREEN: You mentioned the local environment plans. How many LEPs have been completed?

Mr McGAFFIN: We have completed 121.

The Hon. PAUL GREEN: And that is out of a total of 152?

Mr McGAFFIN: That is correct.

The Hon. PAUL GREEN: You must be pretty happy about that.

Mr McGAFFIN: Not as happy as I would like to be.

The Hon. LYNDIA VOLTZ: He would be happier if he had completed 152 already.

The Hon. PAUL GREEN: I am sure those councils would be too. This is all about tourism. What is the department doing to speed up critical pathways for the opportunity of increasing tourism in line with the goal of doubling tourism by 2020 set out by the Minister for Tourism, Major Events, Hospitality and Racing?

Mr McGAFFIN: Essentially, we are not standing in the way of councils. If they say they these activities in these zones then we are basically saying that is fine—because of the flexibility that is created by the standard instrument where nothing is prohibited, we are giving councils what they want. A lot of the councils do not want tourist and visitor accommodation across the board; others want it everywhere. One of the things we have had some interesting discussion about in the western areas of the State is caravan parks in rural zones, because of potential conflict between agriculture and short-term accommodation.

The Hon. PAUL GREEN: Does that mean there are not any?

Mr McGAFFIN: No, there are. That is the point. Some people think it is not a good thing; other councils think it is a great thing. Essentially in the western area if you cannot provide a large area in a business, commercial or residential zone for a caravan park then the only real option is rural land; and that is why it has been left like that. Not everybody has two or three hectares to develop as a caravan park in a zone that is not rural. Essentially, we are not standing in their way and saying that you have to have these land uses in these zones and that is what you are going getting—because the flexibility does exist.

The Hon. PAUL GREEN: I have had some questions lately about tourism on the south coast with the Shaolin temple. Can you update the committee about where that is up to, given the fact that it is potentially meant to draw about half a million visitors a year from all walks of life.

Mr McGAFFIN: It has been potentially half a million visitors a year for the past 15 years. Last I heard the titles had been returned to the council. That may not be completely accurate; but, as I understand it, it has not been progressed.

The Hon. JAN BARHAM: We heard that it was stuck with the Department of Planning and Infrastructure.

Mr McGAFFIN: That is certainly news to me.

The Hon. PAUL GREEN: That is probably why it has taken 15 years—you think it is with the council and they think it is with you! That was a trick question. I heard the minister talking about E2 zones, E3 zones and stuff like that. There has been a bit of contention about those zones in New South Wales and what you can do on them. What is your department thinking about those particular zones and how will that improve ecotourism?

Mr McGAFFIN: The E zones again do not limit tourism because of the uses that are permissible in those zones, but certainly we expect that the environmental zones will be used for ecotourism-type activities because the natural assets that exist in those areas mean they are designated for environmental purposes. The issue with the E zones is primarily where they have been identified as being located on what is now or previously rural agriculturally productive land and the farmers think that it is denying them their continued opportunities to farm. They also think that there is a diminution in land value that often has economic consequences for them. There are a whole range of issues that are separate to tourism. But, essentially, in those areas the councils are still able to have tourist and visitor accommodation and aspects like that. But, again, all they do is enable a development application to be lodged and for a council to consider a caravan park or whatever it is on its merits in a particular location.

The Hon. PAUL GREEN: But E2 is harsher than E3?

Mr McGAFFIN: Certainly. E2 is the highest environmental standard in privately owned land. It is harsher in the respect that it has a smaller range of permissible uses.

The Hon. PAUL GREEN: Is the department working on corridors and related projects for the very fast train? Is that far enough advanced that are you starting to work out what is happening with that?

Mr McGAFFIN: I am sorry, I have to take that on notice. I really do not know. Obviously, we would be involved but, again, I would imagine it would be a department approach of how do we facilitate this rather than let us consider it on its merits and see if it is really worth it.

The Hon. PAUL GREEN: What do you see as being the planning challenges to capitalise on tourism in rural and regional areas? What should we be changing or looking it in terms of legislation and what are the hindrances?

Mr McGAFFIN: One of the things we look at and one of the biggest issues—and the Shaolin temple is the prime example—is you have this tourist activity that is a good idea but there is no guarantee that people are going to come to it and use it and there will be an economic spinoff. So a lot of people say that we want this tourism entity but we also want a couple of hundred residential lots. It is that strategic implication of the fact that it might be a great location for that tourist entity but is it appropriate that you stick 800 residential lots for permanent occupation 15 kilometres from the nearest town? What are the implications of social isolation and access to a whole range of services? I would think that is the biggest issue for us.

We have got a couple of issues up in the Hunter already where some tourist entities are actually presenting a development for more urban uses because they think that is the way out of the dilemma that they are in, and you do get smaller isolated pockets of urban development. Part of the story also is if they are for permanent occupation the demographic is somewhat different if it is around a golf course and it might be somewhat different if it is around a different tourist entity, whether it is a spiritual issue or not. But there are those aspects that need to be looked at as well and the implications that has for the infrastructure that is provided not only by the State but certainly by the local council. I would have thought that is the biggest issue and the most frequent issue that I have come across when looking at tourist projects.

The Hon. PAUL GREEN: It is people trying to either capitalise financially or pay for the whole system through secondary means by urbanising some of their development?

Mr McGAFFIN: Absolutely.

Mr SCOT MacDONALD: I went out to Wentworth Shire Council at the beginning of the year and they seemed to have a lot of issues with planning. Is the Murray regional strategy finished, which includes tourism?

Mr McGAFFIN: No, that is still a draft document.

Mr SCOT MacDONALD: If you do not know the answer can you take on notice when you think that might be finalised?

Mr McGAFFIN: There is no time for when the Murray regional strategy will be finalised. We expect that there will be a discussion paper that will be coming out from memory in the next 12 to 18 months. That discussion paper will then be turned into a regional growth plan.

Mr SCOT MacDONALD: Including tourism?

Mr McGAFFIN: Including tourism, yes. The boundaries may or may not change as far as that area is concerned. At the moment the Murray strategy goes from Albury all the way to Wentworth, so there may be segregation there but I am not 100 per cent sure.

Mr SCOT MacDONALD: A bit further back towards the mountains or something?

Mr McGAFFIN: Yes.

Mr SCOT MacDONALD: One of the issues highlighted to me was the 40-metre setback from the river. I am not sure that I understood everything about it. It seems as though you are familiar with it judging by your reaction. It was put to me that that was a real barrier to tourism and development whereas across the border on the other side of the river Victoria seemed to be more accommodating. Across the river there was a lot of development, but they have got freehold over there, do they not?

Mr McGAFFIN: They do, but certainly in the Wentworth area the flooding characteristics of the Murray is it floods more of the Victorian side of the river than the New South Wales side. In Wentworth you have got Carramar Drive—

Mr SCOT MacDONALD: Is that the one that follows the river?

Mr McGAFFIN: That is the one that goes down and it has all the really big houses. I used to work at the Mildura shire. The issue there was that the generic approach is that everything should be set back 100 metres from the river. Essentially, in the urban zone they could come a lot closer and I think it is down to about 40 metres. We said to them that you can come closer providing you can justify it through a variety of activities and/or studies. The main push back is the environmental impacts of development being closer to the river and the environmental considerations of the impact on the River Red Gums and the quality of the river, which is not really good. That includes bank stabilisation and all those environmental aspects.

We got through those issues with Wentworth council. It is not uniformly loved by councils from Wentworth to Albury and we have introduced some flexible controls relating to development close to existing structures closer than 40 metres. The argument was that councils were saying the 40 or 100 metres means that if I have got a house that has been there for 70 years—

Mr SCOT MacDONALD: You might have to remove it.

Mr McGAFFIN: Either remove it, or if you wanted to put another shed next to it you could not put it next to it because it would infringe on that setback. So we have said that is practical, that is reasonable, you should be able to place a shed close to the house. We have introduced some flexible controls in that regard, but we are very wary that particularly along the main channel there should be due regard paid to the environmental integrity of the river and the banks.

Mr SCOT MacDONALD: Does the Department of Planning consider tourism with the riverboat trade and the cruisers to be an important part of this Murray River strategy, and will we have the necessary instruments on our side of the border? All the boats seem to be moored in Victoria and a lot of the activity is over there. Are we going to catch up?

Mr McGAFFIN: It is interesting you say that. The boats have been moored on the Victorian side because the boundary is on the high water mark on the Victorian side. Wentworth is across the road from a population of 45,000 in Mildura, but it has been like that for 20 or 30 years. As part of the Wentworth local environment plan we rezoned sufficient land to accommodate 2,500 to 3,000 residential lots. Buronga and Gol Gol have never seemed to have taken off.

Mr SCOT MacDONALD: Those lots are definitely freehold?

Mr McGAFFIN: Yes, on the New South Wales side, Wentworth, the Buronga and Gol Gol urban development areas.

Mr SCOT MacDONALD: In your view why have they not gone ahead?

Mr McGAFFIN: I do not really know.

Mr SCOT MacDONALD: You say you have a town across the bridge with 40,000 to 50,000 people. What is holding New South Wales back from a planning perspective?

Mr McGAFFIN: I lived in Mildura from 1985 to 1989 and it was the same then. Mildura was growing gangbusters. You had the dilemma of the city and shire.

Mr SCOT MacDONALD: Including tourism?

Mr McGAFFIN: Including tourism which is rock shop, the whole range, the steam boats, the lot, but Buronga and Gol Gol always struggled unless you wanted to go across to the pub on a Friday or Saturday night when the Victorians shut. At that stage there was a rule you could only have one pub north of Deakin Avenue and one south for licensing. The one hundred years has since lapsed and more have come into it but it is a dilemma that I could not answer. I just do not know why the New South Wales side has not taken off.

Mr SCOT MacDONALD: Why another 12 to 18 months for the Murray regional strategy just to get to a discussion paper?

Mr McGAFFIN: That is to give myself some leeway in case I was wrong in giving you a shorter time.

Mr SCOT MacDONALD: Is that the worst scenario?

Mr McGAFFIN: That is the worst case scenario. I do not have the timetable here but there is a discussion paper that has already been out on the Lower Hunter, one has just been released on the Illawarra. We are expecting far North Coast, mid North Coast, Central Coast, South Coast and the Murray as part of that. I just cannot remember off the top of my head at what stage that is ready to roll. It could be out in the next six months but I do not want to say "six months" and not match it.

Mr SCOT MacDONALD: Are you prepared to clarify with a question on notice?

Mr McGAFFIN: Sure.

Mr SCOT MacDONALD: In the Hunter and the others have tourism as an important component of them?

Mr McGAFFIN: Yes.

The Hon. JAN BARHAM: Some of us have been doing them for 15 years, and they never get seen to. We know that the coast is such an important attraction for tourism. What is your position about building on the coast where there might be a risk of storms, sea level rise, storm surges or any of those issues? What position do you take in relation to that since the Government revised, withdrew its direction to local government? There would still be a risk for local government if it does not take a precautionary approach and look at the worst case scenario?

Mr McGAFFIN: With any development along the coast, near that interface between water and land, there is going to be risk. Depending on the activity, whether it is marina that requires dredging or a sea wall that is required to be constructed, it forms part of that consideration. There is not a policy position that says that it needs to be in this location or built that way. We will respond to someone who comes in and says they want to build a sea wall X wide by X high of concrete, timber or whatever. We are more reactive than we are about saying, "In these instances you have got to have a 10 metre setback or a three metre high wall" or anything like that. It is a merit-based consideration, depending on what we are actually looking at and in what location. Is it in an area that is highly erodible? Is it adjoining an inlet? I know there is a whole range of issues around access to Coffs Harbour so a development close to Coffs Harbour might have different implications than if it is down near Bateman's Bay, for example. It would depend on what comes in as to how we approach it.

The Hon. JAN BARHAM: Currently there is no position? There is a review of the Coastal Planning Act coming through?

Mr McGAFFIN: As I understand it, yes, that is being looked at.

The Hon. JAN BARHAM: In relation to the review of e-zones for the North Coast, has the department document been released? It was promised in February, April, June and now it is September and it has still not been released. Is Parsons Brinckerhoff undertaking the review?

Mr SELMON: Yes. We are due to receive its interim report today. I do not know whether it has arrived yet we were to get it for review and to brief the Minister on the findings. You would be aware that there was a significant number of submissions, 2,200 which was well in excess of what we had. It has taken longer for the consultants to go through all those submissions and come up with the recommendations.

The Hon. JAN BARHAM: I was looking for the document about the holiday letting issue and I came across the other one where Byron council had proposed to do a pre-draft local environment plan consultation on mapping for rural lands where we knew there would be issues about e-zones and we were advised not to, and just to get on with the job. The difficulties with the new local environment plans is that people think a zone is a zone, and not realise that clauses and all those other things layer up. There is a lot of misunderstanding about the intent in the translations. Is the department looking at whether there is more direction going to council about what it can do and how it can perhaps test some of those things rather than have a the whole document?

Mr McGAFFIN: In regard to e-zones?

The Hon. JAN BARHAM: Yes. It has been interesting dealing with all the councils because the e-zones created a fair bit of flack up on the North coast that is why the review. It has also created some dilemmas in Eurobodalla local government area but in most others it just did not raise much of an issue at all, even though the controls were very, very similar. In part it has relied on how councils have applied the land, applied the zoning, and what data they have used, and the accuracy of the data that they have been able to obtain to apply those zones.

Mr SCOT MacDONALD: And interpret it.

Mr McGAFFIN: Yes. A lot of the data has come from the Office of Environment and Heritage and it is on a very broad scale so some councils have mapped it quite conservatively and a lot of people have been able to say, "This is an open paddock and yet you have zoned it E2 or E3" and the data is basically on the two or three trees and the polygons have joined together.

The Hon. JAN BARHAM: A corridor is a corridor.

Mr McGAFFIN: That is true and I do not think the issues have generally tended to be over the corridors or the connectivity where it is abundantly clear that there are environmental values, it is more on the edges where is that debate about how many trees make up a corridor? How many trees make up a forest?

The Hon. JAN BARHAM: What width or whatever?

Mr McGAFFIN: Absolutely.

CHAIR: Further questions may be sent to you and you will have 21 days to respond to them.

(The witnesses withdrew)

(The Committee adjourned at 4.07 p.m.)
