

Wednesday 29 June 2011 - Estimates Committee B (Bacon) - Part 2

DIVISION 2

Departments of Economic Development and Tourism and the Arts

Hospitality -

Mr BACON - At the table is Ruth Davidson from my office and Liz Jack -

Ms JACK - Deputy secretary, Department of Economic Development, Tourism and the Arts, and my portfolio is Culture, Recreation and Sport.

Mr BROOKS - How many staff do you have with specific responsibility for Hospitality?

Ms JACK - The unit that is responsible for Hospitality in the department is the Liveable Places Unit and there are six staff in that unit and two who specifically focus on Hospitality. They do have other responsibilities, and one of them is the director of the unit, Mr Peter Sheldon-Collins, who is here today, he has a project manager who works with him, and of course there is an executive assistant who supports them.

Mr BROOKS - Last year there was no-one specifically dedicated to that portfolio only and this year there is no-one.

Ms JACK - There are specific people dedicated to that portfolio but they also have other responsibilities within that unit. The unit name has changed but it is the same people and the same unit so they have a good grasp of what they're working on.

Mr BROOKS - Why did it change the name?

Ms JACK - We felt it was more appropriate to call it Liveable Places than Cultural Development because Cultural Development was very confusing for people because a lot of them thought it was more around the arts. This unit is responsible for Hospitality, the Employer of Choice awards and for the development of a liveability strategy for Tasmania. It is all about making Tasmania a more liveable place and also making the things that sit within that more accessible, including working with the THA and the industry in terms of hospitality.

Mr BROOKS - The Liveable Places Unit sounds like government words.

Mr BACON - Very modern. It is a government unit so it looks like we're ticking the right box there.

Mr BROOKS - What output group are you responsible for in the Budget?

Mr BACON - Tourism.

Mr BROOKS - So there is no specific line item in the Budget for Hospitality?

Mr BACON - No. Do you want to expand on that, Liz?

Ms JACK - There is an allocation that is noted in the budget papers under the Tourism output group, which is \$100 000 for a hospitality skills development initiative, but there is no Hospitality output group as such; the allocation has gone to Tourism. Because there is a Hospitality portfolio I assume that is why we have an Estimates hearing.

Mr BROOKS - What acts do you administer as the Minister for Hospitality.

Mr BACON - There are acts administered by the Minister for Hospitality.

Mr BROOKS - Can you advise on what formal briefings you received on becoming minister?

Mr BACON - I had a verbal briefing from Liz and the Liveable Places Unit in my office.

Mr BROOKS - So a verbal one, not a written one?

Mr BACON - It was a verbal briefing.

Mr BROOKS - Can you guarantee you will remain as the Minister for Hospitality for more than six months -

Mr BACON - I will do my very best.

Mr BROOKS - which is the average lifespan for a hospitality minister in your Government?

Mr BACON - I certainly hope to remain the Minister for Hospitality for a record period of time.

Mr BROOKS - That's if they appoint one for more than six months.

Mr BACON - Well, I have been appointed, so we can tick that box.

Mr BROOKS - Your Government did try to downgrade it at one stage.

Mr BACON - In terms of?

Mr BROOKS - In a cabinet reshuffle when Mr Wightman was only going to be a cabinet secretary.

Mr BACON - And he was appointed as the Minister for Hospitality.

Mr BROOKS - Eventually, after they announced that he wasn't going to get a ministerial portfolio.

Mr BACON - Was that question?

Mr BROOKS - Well, it is a question - again a backflip on your election promise. Is that going to happen in the future?

Mr BACON - The situation at the moment is that I am the Minister for Hospitality and I hope that continues for a good period of time.

Mr BROOKS - So in the two years since the ministry has been established, can you outline specifically what that portfolio has delivered?

Mr BACON - I can certainly outline what we have delivered in this year's Budget. We have delivered \$100 000 towards a hospitality skills development initiative, which is -

Mr BROOKS - Well, you have committed.

Mr BACON - What do you mean?

Mr BROOKS - All you've done is committed to it but I asked what you have delivered in the previous two years.

Mr BACON - There was \$100 000 delivered in the last Budget.

Mr BROOKS - And in the last two years?

Mr BACON - There was \$100 000 for the hospitality skills development initiative; \$20 000 towards the development of the central labour pool, which is ongoing; and the initial commitment for the Pub Watch scheme which has since been wound back under advice from the THA.

Mr BROOKS - That is not entirely accurate but, anyway, we'll get to that later too.

Mr BACON - I would like you to outline how that is not accurate.

Mr BROOKS - We all know that you failed to get legal advice on it before you brought it out and then you took some funding off it for them to seek legal advice, so you didn't deliver all of that.

Mr BACON - We provided funding for the THA to seek legal advice.

Mr BROOKS - Something you failed to explain before you announced it with great fanfare. But we will get to the Pub Watch scheme - such a great success. Is there anything else you have delivered?

Mr BACON - We have worked very hard with the hospitality industry to support it and the 23 000 jobs it provides across Tasmania.

Ms JACK - Can I also add to that and say I do think, at least at officer level, that there has been an excellent relationship developed between the THA and the department and that is through the director the LPU and his staff member who have been consistently there. While ministers might have had to change for various reasons, we have maintained a commitment with the same staff and they have developed a good working relationship and have a shared view of what the industry should be delivering. I think that should be noted.

Mr BROOKS - I just wanted to go over the \$100 000 for training. In the innovations strategy for 2010 there is a commitment for \$100 000 per annum over four years, so why is it not in the forward Estimates?

Mr BACON - Initially the department provided \$100 000 in last year's Budget to do the hospitality industry skills development initiative. There is a report due to come out from the THA on that initiative and then we will work hard with the THA to deliver some outcomes from that report.

Mr BROOKS - Did they initially indicate that they liked that program and felt it was a success?

Mr BACON - The initial reaction from the THA is that they do think it is a success.

Mr BROOKS - So why isn't it in the forward Estimates?

Mr BACON - The commitment is for \$100 000 for this year.

Mr BROOKS - The innovations strategy says four years.

Mr O'HALLORAN - The hospitality industry is very much a person-to-person industry with a lot of face-to-face work and being a service industry obviously training is critically important. I am just wondering whether the department would do surveys around the level of service that is provided in the hospitality industry and I guess that data-based approach would drive our education and training. Do you have any information on what we do well in the hospitality industry and what we don't do

well from the data we collect, and how we are going to bring the two things together in terms of our training?

Mr BACON - The hospitality skills development initiative is about understanding the skills issues affecting the industry and identifying the most effective means of developing the skills of hospitality employees, particularly casual and seasonal employees. Of course a lot of this ties into Skills Tasmania and the Education and Training portfolio, so we are looking to work closely with them to address the needs of the industry.

Mr O'HALLORAN - How much data is collected around the level of service being provided? If somebody from interstate or overseas comes here, how do they find the level of service in the industry compared with, say, other places around Australia. Is there any research at all? It could well be that there isn't any but if there is, what is it telling us? That is really what I want to know.

Ms JACK - Through the hospitality skills development initiative that the minister has just been talking about there have been 60 different service providers that have been interviewed and part of that questionnaire is around level of service, among a host of other things. So it is what you were saying about painting a picture of what the industry looks like, what it is doing well, what is not doing so well and where the skills gaps are, and the next step in that will be to address the issues that come out.

Mr O'HALLORAN - So that work is happening?

Ms JACK - Yes.

Mr BROOKS - I am still waiting for an answer to my last question. In the innovations strategy for 2010 it said:

'The Government will establish a hospitality skills development initiative funded by \$100 000 per annum over four years.'

So why isn't it in the forward Estimates?

Mr BACON - We are expecting the report into the skills initiative in the coming months and then we will be working with the THA to develop that initiative.

Mr BROOKS - Can you guarantee it will be in next year's Budget?

Mr BACON - Once this report is released I can work with the THA to make sure we address the skills and training needs being experienced right across the hospitality industry.

Mr BROOKS - Because if it is not that will be just another broken promise. Given that it is the only specific commitment that the Greens-Labor Government has managed to sort of deliver since the election, why can't you guarantee it into the future?

Mr BACON - Because we haven't even received the report yet into last year's \$100 000.

Mr BROOKS - But the feedback you got from the industry association is that they regard it very well.

Mr BACON - Absolutely, they are fully supportive of the government initiative.

Mr BROOKS - Pub Watch?

Mr BACON - Yes.

Mr BROOKS - Given your announcement on Monday with respect to your breaking another promise - this time Pub Watch - what has happened to the \$30 000 committed to the promise?

Mr BACON - A certain amount of that was given to the THA to seek legal advice on and the remainder has gone back into Consolidated Revenue.

Mr BROOKS - So \$5 000 was for the legal advice?

Mr BACON - I think it was \$4 000.

Mr BROOKS - Okay, so the remaining \$26 000 is in Consolidated Revenue. Is that money still available for another purpose should the department and the industry identify another initiative that that money could go towards?

Mr BACON - The money has gone back into Consolidated Revenue.

Mr BROOKS - So they can't have it back for something else if it comes up?

Mr BACON - The money has gone back into Consolidated Revenue - with their agreement.

Mr BROOKS - Okay, but it's not as if they had much of a choice.

Mr BACON - So what you are saying to me is that they don't support the wind-up and not continuing with Pub Watch?

Mr BROOKS - The Government promised it and then required them to go and spend part of that funding to get legal advice that you should have got in the first place.

Mr BACON - We cannot seek legal advice on their behalf.

Mr BROOKS - The Government could have provided separate funding not out of the Pub Watch scheme to get that legal advice. You didn't do that and now you have taken it back.

Mr BACON - The THA is supportive of the position we have taken.

Mr BROOKS - Why can't the \$26 000 go towards liquor (?? Legal? 1:13:30) reports?

Mr BACON - Because there is no requirement for funding for liquor reports.

Mr O'HALLORAN - I want to come back to a question I had before around meeting training needs. Is the training meeting the needs of the industry to move us to where we want to be in terms of deliver of service levels?

Mr BACON - Currently at the moment I have spoken to many operators across Tasmania who are having trouble getting skilled staff, and that is why this skills initiative has been put in place, because there is definitely a problem in the industry for people to attract and retain skilled staff.

Mr O'HALLORAN - Absolutely, particularly in rural and regional Tasmania, that's for sure. I am aware of commercial kitchens in colleges, for example, and I know some high schools certainly have a big focus on hospitality and catering. I also know there has been an increased professionalisation in the hospitality area but there is still a deficiency in terms of recruitment and retention in rural and regional areas. I am wondering what the department is doing to try to encourage people to move to those areas, which are actually growing areas if you talk about places like Strahan, Cradle Mountain and Freycinet. There is high demand for high-level services in this industry, so it is just matching the training facilities we have with getting the people where they need to be. It is not just in this area; it is in education, health and right across the whole government sector. What strategy are you are using to -

Mr SHELTON - Closing down rural schools.

Mr O'HALLORAN - Give it a break!

Mr BACON - Certainly that is why this initiative has been put in place because there is that gap between training and what is happening on the ground. That is why there is \$100 000 in the Budget for the Skills Initiative.

Mr BROOKS - I wanted to talk briefly about the MOU, which was another of your election commitments. I want to know the status of the MOU.

Mr BACON - We discussed this - we prefer to call it a partnership agreement - with the THA the week of the Budget. They are very keen to move it forward, as are the Government, and we will be working as hard as we can in the coming months to progress the partnership agreement.

Mr BROOKS - It was part of your election commitment to establish a partnership with the THA. It has been more than 15 months and you are the third minister since the election. Given that this commitment costs no money effectively, why hasn't it been finalised yet?

Mr BACON - A partnership agreement is not just the responsibility of government; it is the responsibility of the THA as well. We are working very hard to develop that at the moment. We will be finalising that agreement as soon as we can.

Mr BROOKS - When Minister O'Byrne said in Estimates last year -

Mr BACON - Is that David O'Byrne?

Mr BROOKS - Yes - spoke about the MOU, he said it was a high priority then. So why hasn't it happened?

Mr BACON - Negotiations are continuing at the moment and as soon as possible I will make an announcement.

Mr BROOKS - So it takes more than 12 months to negotiate?

Mr BACON - Negotiations take time.

Mr BROOKS - How long have you been negotiating for? When was the last negotiating session?

Mr BACON - As I said, I spoke to the THA last week.

Mr BROOKS - Okay, and what about before then?

Mr BACON - I spoke to them two weeks before that.

Mr BROOKS - With all these meetings, it has still taken 15 months and you still can't deliver it?

Mr BACON - I have had two meetings with the THA and the matter has been discussed at both meetings. Hopefully soon we will finalise the partnership agreement. Then the Government will be able to work with the THA to drive the hospitality in Tasmania.

Mr BROOKS - So, two meetings. Which parties will be signatories to the agreement? Is it between the THA and the department?

Mr BACON - It will be between the THA and the Government.

Mr BROOKS - Who from the Government will sign that?

Mr BACON - I envisage that it will be myself and the Premier.

Mr BROOKS - Will your department have a say in the content?

Mr BACON - We are working with the THA at the moment to negotiate the agreement.

Mr BROOKS - Do you have an estimate of when it will be done?

Mr BACON - Hopefully in the coming months.

Mr BROOKS - The coming months. The next 30, the next three or what?

Mr BACON - Hopefully it will be done as soon as possible.

Mr BROOKS - It has taken 15 months already. Surely it is not all that hard. Given that there is no cost attached, so you don't need to blame any other factors, can you commit to having it negotiated by the end of this year?

Mr BACON - Absolutely.

Mr BROOKS - That gives you a long enough time, one would hope. So it will be delivered by the end of December 2011?

I just wanted to go over election promises again. Of the three promises, you have really only delivered one - and even that you haven't fully funded - are you happy with the 66 per cent failure rate?

Mr BACON - I don't understand the question.

Mr BROOKS - If you promised to do three things and you only do one, are you happy with that?

Mr BACON - Do you accept that the THA supports our position on Pubwatch?

Mr BROOKS - I accept the fact that they have been frustrated by your inaction and your failure to deliver as promised -

Mr BACON - That is totally incorrect.

Mr BROOKS - At the end of the day the question is to you.

Mr BACON - That is totally inaccurate. The THA supported our position on Pubwatch. Do you accept that?

Mr BROOKS - No, I don't accept that.

Mr BACON - Did you read their press release?

Mr BROOKS - I believe that you effectively have broken another election promise.

Mr BACON - So you think we should carry on without the THA?

Mr BROOKS - I am the one asking the questions, Minister, not you. Out of your failed election promises, do you think it is acceptable for you to underfund them?

Mr BACON - In what respect?

Mr BROOKS - Oh, well, we will go through it all again. You promised \$100 000 to training for four years; you have not delivered that. You underfunded your Pubwatch scheme.

Mr BACON - No, we didn't.

Mr BROOKS - You did, by requiring them to go and get legal expertise, and you have since taken the money back into Consolidated Revenue -

Mr BACON - The Government cannot give legal advice on the THA's behalf, and we have taken it back into Consolidated Revenue because the THA doesn't want to continue with the Pubwatch scheme. Do you want us to go ahead without the support of the THA?

Mr BROOKS - I want you to deliver what you promised. Why did you promise it if you couldn't deliver it?

Mr BACON - Things change, Mr Brooks. There are legal problems around the Pubwatch scheme and the THA fully supports our position.

Mr BROOKS - Why didn't you get that advice before you announced the policy?

Mr BACON - We can't seek legal advice on their behalf - we just can't do it.

Mr BROOKS - Policy on the run.

Mr BOOTH - What sort of dependence does the hospitality industry have on pokie revenue at the venues that have them?

Mr BACON - That is a very good question, but it would have to be directed to the Treasurer, who is responsible for gaming.

Mr BOOTH - Yes, but I am not interested in the Treasurer's point of view. You are the minister responsible for hospitality, so I am asking you.

Mr BACON - I do not have revenue figures for individual operators.

Mr BOOTH - I didn't ask that. I asked how dependent the industry was on pokie revenue to fund their venues. You don't have to break it down.

Mr BACON - I sat on the same parliamentary committee as you, and I heard the evidence, but I do not have that with me.

Mr BOOTH - But in terms of your ministerial responsibilities you must have an understanding whether they are dependent. Wouldn't you care if, say, no tourists turned up?

Mr BACON - Absolutely - that would be a concern. But I cannot answer questions on gaming - that is not my responsibility.

Mr BOOTH - I am not asking you to answer questions on gaming. Let us rephrase this. How dependent is the tourism industry on hospitality industry on tourists?

Mr BACON - Well, you would say the tourism industry is 100 per cent reliant on tourists.

Mr BOOTH - Correct. So how dependent is the hospitality industry on revenue flows from tourists?

Mr BACON - Those figures would be out there, but I do not have them with me at the moment.

Mr BOOTH - So you don't have any understanding or knowledge of the dependency of the hospitality industry on tourists? What would happen if tourists stopped coming tomorrow?

Mr BACON - If you talk specifically, an individual pub in a suburb of Hobart may have a 5 per cent reliance on tourists or it may have 100 per cent local clientele.

Mr BOOTH - I am asking you in terms of the industry. I didn't ask a question about a pub; I asked you what you knew about how dependent the hospitality industry was on tourism.

Mr BACON - I would not have those figures with me.

Mr BOOTH - Do you think that they would be dependent -

Mr BACON - There would be venues that are dependent on gaming that had gaming facilities and there would be others that don't have gaming facilities and it wouldn't affect them.

Mr BOOTH - So you are unable to provide this committee with an answer as to whether the hospitality industry is dependent on -

Mr BACON - You know that gaming is the responsibility of the Treasurer, so how would I be able to provide those figures?

Mr BOOTH - Well, tourism falls under your responsibility -

Mr BACON - This is hospitality, not tourism.

Mr BOOTH - Yes, I know, but you have given me an answer about the effect on hospitality if there were no tourists, so I am expecting an answer from you -

Mr BACON - If there was zero gaming?

Mr BOOTH - Not some glib response -

Mr BACON - No, your question now is if there were no gaming, what is the effect on the hospitality industry?

Mr BOOTH - Yes.

Mr BACON - How could I have that figure?

Mr BOOTH - Well, would it have any effect do you think?

Mr BACON - You would have to think that it would have an effect on venues that have gaming machines.

Mr BOOTH - So it would be a concern of yours then if there was no gaming?

Mr BACON - Anything that will affect the industry concerns me.

Mr BROOKS - Minister, while we are on gaming -

Mr BOOTH - I guess I cannot go very far with this if you don't understand the effect on the hospitality industry of gaming revenue -

Mr BACON - Well, do you know what the effect would be?

Mr BOOTH - You are the minister, and I am asking you a question. Of course I don't know; if I did, I wouldn't bother to ask. If I knew, I would tell you.

Mr BACON - I am sure there would be modelling out there that would say what the effect was, but would that be accurate? It is a prediction of what would happen if circumstances changed.

Mr BOOTH - What modelling are you talking about?

Mr BACON - The modelling that was raised with us in that parliamentary committee.

Mr BOOTH - Have you had a look at it? If you are the responsible minister -

Mr BACON - I am not now on that committee.

Mr BOOTH - No, but in terms of the information that you have disclosed that has come to a committee, obviously as the tourism minister it is not something you would have to rely on briefly hearing at a parliamentary committee. Presumably that evidence -

Mr BACON - You think I would have an accurate idea of the effect on the hospitality industry as a whole if gaming was shut down in Tasmania?

Mr BOOTH - Yes, I think it is a reasonable question to ask.

Mr BACON - I think you are right - if we shut down gaming in Tasmania it would have an effect on the industry.

Mr BOOTH - And what would that effect be?

Mr BACON - How could I possibly know?

Mr BOOTH - Because you would look at the revenues -

Mr BACON - You are asking the wrong department. That is the responsibility of the Treasurer and you know that.

CHAIR - The minister is right. It is a question to put to the Treasurer about where revenue is accumulated from gaming.

Mr BOOTH - But with respect, Chair, that is actually not the question I am asking. I am not asking a Treasury question. I am asking in the minister's portfolio responsibility, which is hospitality, what effect would it have if no tourists arrived tomorrow. If he is unable to tell me that he should not be the Minister for Hospitality.

Mr BACON - Well, clearly that would have an effect on hospitality, but to say what extent that effect would be is not reasonable - it would be different for different businesses.

Mr BOOTH - But we are talking about an industry-wide perspective here. You cannot possibly say to me here today that you are so disinterested in this portfolio that when I ask you a reasonable question -

Mr BACON - If you are interested in this portfolio, why don't you ask a question that pertains to this portfolio?

Mr BOOTH - I have.

Mr BACON - These questions should be directed towards the Treasurer.

Mr BOOTH - I want to know what happens to the hospitality industry if there is no pokie revenue. That is a pretty simple question.

Mr BACON - Can you answer it?

Mr BOOTH - Why do you think I asked it? If I knew the answer, I wouldn't bother asking.

Mr BACON - You think there is a definitive answer? You think it will be x millions of dollars to the hospitality sector? Do you think there is even agreement out there between the sector and yourself?

Mr BOOTH - It is not for me to answer those questions -

Mr BACON - It is not for me to, either. It is for the Treasurer to answer that question, and you well know it.

Mr BOOTH - No, it is not -

CHAIR - All right, the minister has answered the question. Order! We will move on to the next question as put.

Mr BROOKS - Has the THA made representations to you that they would rather the gaming and licensing be under the responsibility of the hospitality portfolio?

Mr BACON - We have had discussions about those issues.

Mr BROOKS - Have you lobbied your Cabinet colleagues on this?

Mr BACON - No, I haven't.

Mr BROOKS - Why not?

Mr BACON - They raised it with me last week and I have not fully considered that position.

Mr BROOKS - Would you support that?

Mr BACON - As I said, I have not fully considered that position.

Mr BROOKS - I just wanted to continue with gaming, and the Minister for Hospitality. What is your position on gaming reform?

Mr BACON - These are questions for the Minister for Community Services and for the Treasurer.

Mr BROOKS - With all due respect, you are the minister responsible for the hospitality area -

Mr BACON - I am not responsible for gaming. You know full well that questions on gaming should be directed to the Treasurer.

Mr BROOKS - Do you agree with your Greens colleagues and the Premier when they say they support the national -

Mr BACON - These questions are for the Treasurer.

Mr BROOKS - Do you agree with them.

Mr BACON - They are for the Treasurer.

Mr BROOKS - But do you agree with the Premier?

Mr BACON - These questions are to be directed towards the Treasurer.

Mr BROOKS - I can see why Mr Booth was getting frustrated.

Mr BACON - Well, maybe if you turned up to the right Estimates, and asked the right questions, you would get an answer.

Mr BROOKS - Surely you would think the Minister for Hospitality would be interested in one of the key contributors to the failure or success of a business. Surely you would be interested in that and would have an opinion.

Mr BACON - But questions about gaming reform should be directed to the Minister for Community Services and the Treasurer.

Mr BROOKS - Have you represented the hospitality industry's position in Cabinet around gaming reform?

Mr BACON - No gaming reforms have been to Cabinet.

Mr BROOKS - Do you support the source of funds from the community support levy being identified on communication material about the fund?

Mr BACON - This has been raised with me by the THA, and I think it is a reasonable position. but I would have to have further discussions before it is progressed any further.

Mr BROOKS - I just wanted to talk about food standards briefly. I notice that in Tourism Mr Morris brought the matter up. We know where he stands on it. I tend to disagree with his representations on many businesses out there. What is the Government's current position on the name-and-shame approach?

Mr BACON - I am not sure whose responsibility this is - it is probably a local council. And food standards - is that health?

[1.30 p.m.]

Mr BROOKS - I am asking you as the Minister for Hospitality and responsible for many of the hospitality businesses out there whether you have an opinion.

Mr BACON - That is a question for the Minister for Health - food standards.

Mr BROOKS - Can we talk about education and training then.

Mr BACON - If I am the Minister for Education and Training, we can, but if I am not - and I am fairly sure I am not -

Mr BROOKS - We have discussed your \$100 000 and that you are funded for that for education and training.

Mr BACON - Absolutely. We can talk about that, no problem.

Mr BROOKS - Following on from that, have you had discussions with Minister McKim with respect to the criticism of the Drysdale institute from industry which has been labelled as a joke by industry representatives?

Mr BACON - Certainly I have had conversations with the industry surrounding Drysdale and I have sought a meeting with Minister McKim to discuss this issue, because there is a lot of synergies, as Mr O'Halloran raised, between hospitality training and education and training more generally. I would be very keen to speak to Mr McKim about this issue.

Mr BROOKS - What's your strategy for improving training provided through Tasmanian Government entities for the hospitality sector?

Mr BACON - We have the \$100 000 initiative. We are waiting for the report to come out and then we will be working with the hospitality industry and the Department of Education and Training to extend that initiative.

Mr BROOKS - What can you identify as to why the industry should choose Drysdale for their training needs rather than a private provider?

Mr BACON - That would be a question for the Minister for Education.

Mr BROOKS - I am asking you about what decision the industry should make.

Mr BACON - That is a question for the industry.

Mr BROOKS - You are the minister responsible for the industry.

Mr BACON - This is the private businessman now telling me I should go out to industry and tell them what to do.

Mr BROOKS - What I am asking is: can you identify the reasons as to why they should?

Mr BACON - That is a question for the Minister for Education.

Mr BROOKS - Have you spoken to the Minister for Education with respect to the new Drysdale tourism and hospitality training facility which is still closed?

Mr BACON - I will be speaking to the Minister for Education.

Mr BROOKS - So no - right.

Mr BOOTH - Do you have any responsibility for licensing the cruise operators in Macquarie Harbour. Is that part of the portfolio?

Mr BACON - Not that I am aware of. We can find that out for you. Are there some concerns around that:?

Mr BOOTH - There is no point asking a question about it if you are not responsible for it.

Mr BACON - I am not sure who is responsible for that.

Mr BOOTH - Perhaps you could get back to me and let me know who is responsible for that. If so, I would have some questions, but obviously we will have to ask them at a later date.

Mr BACON - We will find out.

Mr BOOTH - I am not entirely what line Mr Brooks was going down there but is there some issue with regard to quality of service or food standards - not in the sense of whether it is some food that should not be eaten but whether there is a standards issue to do with the licensing of tourist venues in terms of their star ratings for tourism and so on?

Mr BACON - What Mr Morris raised this morning was a concern around Tasmania about quality of food from his own experience and, from what I understand from what Mr Brooks said, I think that is what he was talking about or he was talking about hygiene standards. I am not sure.

Mr BOOTH - Do you have a role to play there in terms of assessment or rating?

Mr BACON - As Minister for Hospitality?

Mr BOOTH - Yes.

Mr BACON - No.

Mr BOOTH - What kind of regulatory role do you have in terms of hospitality?

Mr BACON - There is no regulatory role.

Mr BOOTH - There are no legislative things you have been involved in? It is more of an amorphous -

Mr BACON - It is more working with the industry to work out what the problems are in the industry, such as difficulty in attracting and retaining skilled staff and things like that.

Mr BOOTH - So if I asked a question about that, you would probably say that is one for the Minister for Education and Training. How can we pin you down to have a responsibility for something -

Mr BACON - I cannot tell you how to pin me down. That would be a bit unfair.

Mr BOOTH - If you could tell us directly what areas you do have control in, that might be useful. What are your roles and responsibilities as the minister responsible for hospitality?

Mr BACON - It is to speak to industry and to identify problems they have, such as the skills initiative we are working on at the moment. We are also working on a partnership agreement which is looking to address some of their concerns. The industry have concerns around training, long-term career pathways for hospitality employees, investment in the accommodation sector, problems around seasonality and things like that. A big key for the THA is having consultation with the Government around things that affect their industry.

Mr BOOTH - So basically to get your information, you do it through negotiation or communication with industry representative bodies, do you?

Mr BACON - There is also the Liveable Places Unit within the Department of Economic Development, Tourism and the Arts that is focused on hospitality as well.

Mr BOOTH - How does that information come back to you? Do they do independent research of the issues? What I am getting at here to make it clear: It is one thing to talk to organisations that purport to represent an industry body. We have recently seen that with the plumbers represented by the Master Plumbers Association who represent only seven or eight per cent of the industry but they are the sole point of contact, which ends up effectively with law that is so bad it was disallowed in the Parliament. And there are issues like that in the timber industry at the moment. In fact, most industry groups will come up with an organisation that purports to represent it, but there is a much broader view out there. If you want to get that broader view, you have to have some mechanism of relating, engaging and communicating with people in the industry who are real people doing it rather than the sometimes astro turf organisations. Do you have a broader outreach; do you have some mechanism as a department where you get feedback from individual operators rather than just through their organisations?

Mr BACON - In terms of me personally, my door is always open to individual operators. I do not need to necessarily always talk to the THA. I will talk to them but if there are individual operators out there who want to discuss any concerns they have in the hospitality industry, I would be keen to meet with them. I have been around the State meeting with hospitality operators in the past five weeks. In terms of the department, I might get Liz to address what they do specifically to engage with individual operators.

Mr BOOTH - That would be useful, thanks.

Ms JACK - First of all in speaking about the Liveable Places Unit, one of the things they do that is not specific to hospitality is the work they do around employers of choice, and that is working with small business across a range of sectors, including hospitality. They do have engagement with individual business owners in that capacity.

The Hospitality Skills Development Initiative, which I know we have spoken quite a bit about - it is not the THA that is doing that work, that is actually being done with individual operators to get specific information from them on the skill gaps they have, the challenges they face and the scope of the sector as it now stands. So in that sense there is also that engagement with not just a peak body such as the THA.

I have also been advised that there are marketing and promotional workshops going on around the State being run through the department under the auspices of the Liveable Places Unit. That is not just open to THA participants; that is open to all hospitality businesses around the State. I can give you the numbers on them but I don't have them to hand. How many of those workshops?

Mr SHELDON-COLLINS - There will be eight or nine and they will commence in August.

Ms JACK - There will be eight or nine workshops going around the State for individual businesses.

Mr BOOTH - Is it the same workshop that might go to a number of different venues
-

Ms JACK - Various locations around the State.

Mr BOOTH - So that eight or nine does not mean eight or nine engagements, it means eight or nine different not courses but -

Ms JACK - Eight or nine workshops that will involve however many participants put their hands up. I do not know if Smithton is one of the locations but it will go right around the State.

Mr BOOTH - So operators could come to a venue and have a workshop together. It will be a workshop with operators in different areas but not through necessarily the peak body.

Ms JACK - That is right.

Mr BOOTH - I suppose to put that in context, and I know we are not discussing the tourism industry at the moment but just on reflection, if you look at the amount of money that has been put in the tourism industry in terms of promotion and the programs and marketing campaigns that have been done, either we are going to have no tourists or the thing hasn't been a success, one of the two. It certainly hasn't created this mass influx of tourists into the place.

Mr BACON - I suppose there are a lot of external factors around tourism like the Australian dollar and things like that.

Mr BOOTH - Definitely at the moment that is a severe challenge - I understand that for sure. I am just making the point that there has been quite a lot of concern about the way tourism has been promoted in Tasmania over many years, because of effectively just three tourism routes and one operator getting control of all of that and so therefore smaller operators that I have spoken to - it is not my portfolio so I am not saying that I am well engaged but I do have a number of constituents who talk to me about this stuff - have said, 'This does not work because all of our dollars are going and promoting effectively federal hotels touring route. We would be better if we were not spending this money on promotion through the Government' - what was the campaign a few years ago?

Ms JACK - Not Love this Place.

Mr BOOTH - Yes, those sorts of things when actually we would be better off promoting our venues and getting people in rather than spending all this money to attract people into federalist beds. Similarly I am concerned with hospitality that you make sure - and it sounds like you are by having workshops - you are getting engagement with people who are the deliverance of that service at the coalface.

Mr BACON - That is a good point.

Mr BROOKS - I want to talk about occupancy that is below 46 per cent on the north-west coast. Do you expect that the outcome of the budget cut for tourism will further dampen the occupancy rates in Tasmania?

Mr BACON - Clearly there is a concern from the north-west coast. I have been to Stanley and Smithton myself and spoken to operators up there. There are challenges for tourism businesses right around the State and particularly in regional Tasmania. In terms of the north-west coast, it is only the west coast, which I am due to visit in the coming weeks, that seems to be struggling as much as the north-west coast although obviously the east coast has had its own problems with the road closure, floods and things like that. In terms of budget cut to tourism, you really should have questioned that question this morning.

Mr BROOKS - Well I did -

Mr BACON - I do not know why someone has to explain the process to you.

Mr BROOKS - You spent a long time not answering that question then too.

Mr BACON - If you asked the question at the right time.

Mr BROOKS - You refused point blank to answer questions, and I think it is because you do not know.

Mr BACON - You have refused to learn the processes of the Parliament and I do not know why that is.

CHAIR - Order. Mr Brooks could you please move on to the next question.

Mr BROOKS - The next question is: What feedback have you had from the industry with respect to the impact of reduced tourism funds?

Mr BACON - In the tourism budget?

Mr BROOKS - Yes.

Mr BACON - The feedback I have had from the tourism industry is that they wanted to see two things happen. They wanted to see the budget for marketing protected -

Mr BROOKS - No, this is a hospitality question.

Mr BACON - Why did you say tourism?

Mr BROOKS - You cut the tourism budget, what impact will that have on the hospitality sector?

Mr BACON - What feedback have I had from the hospitality sector -

Mr BROOKS - the hospitality sector about the cuts to the tourism budget.

Mr BACON - Much the same. I have spoken with the THA and with individual operators around this.

Mr BROOKS - They are happy about it, are they?

Mr BACON - No-one likes budget cuts.

Mr BROOKS - Do they think it will impact them?

Mr BACON - What they have spoken to me about is maintaining the marketing spend, which we have done, and getting on with projects like the Tarkine Drive, which is a very important project for the north-west, and the Three Capes Track on the Tasman Peninsula.

Mr BROOKS - That will fix it, will it? It is just ridiculous -

Mr BACON - So what would fix it?

Mr BROOKS - If I were you, I would go down and resign with the governor. That might fix it.

Mr BACON - And that would fix it?

Mr BROOKS - It would certainly help because at the moment I do not think you are up to the standard. I do not think you are even capable of understanding the portfolio.

Mr BACON - You cannot even understand the procedures of the Parliament.

Mr BROOKS - I wanted to talk about communication between the Department of Economic Development and the THA industry generally with respect to events such as Savour Tasmania.

Mr BACON - Which is an economic development.

Mr BROOKS - Do you interact between the two departments to assist with the THA gaining the correct information and working towards a joint outcome -

Mr BACON - Is your question so if the THA wanted further information about a specific thing -

Mr BROOKS - Do you assist with the communication flow?

Mr BACON - Certainly the department would assist, but I would not personally assist unless they came to me and said they wanted information on Savour Tasmania and then I could get them information on Savour Tasmania.

[1.45 p.m.]

Mr BROOKS - One of the concerns is that there is a failure to engage industry formally when events are organised and focused on the industry.

Mr BACON - That is why we are looking to negotiate a partnership agreement.

Mr BROOKS - Which you still have not done after 15 months.

Mr BACON - That is why we are looking to negotiate it.

Mr BROOKS - So the MOU will make this sort of thing -

Mr BACON - We call it a partnership agreement.

Mr BROOKS - The partnership agreement will make oversights like that occur less often.

Mr BACON - It still has to be negotiated. Hopefully that will take place.

Ms JACK - On behalf of the department I can say that if any concern is raised with us by any stakeholder group, including the THA, we will deal with that immediately. I am certainly speaking on behalf of the Liveable Places Unit. I know they have dealt with other issues with the THA the minute they have been raised, so if we are aware that there is a lack of communication, or even a perceived lack of communication, we will act on that.

Mr BACON - The Liveable Places Unit has a very good relationship with the THA, and that is from the THA.

Mr BOOTH - Will you make sure that any partnership arrangement that you enter into is not just between the so-called peak body and the Government?

Mr BACON - The partnership agreement will be between the THA and the Government.

Mr BOOTH - There is a problem there, perhaps, if you have not entered into that yet, because there are people who feel excluded through not being represented through the peak bodies.

Mr BACON - If there are people who feel they have been excluded, I would be happy to talk to them.

Mr BOOTH - Yes, but you need to be aware that there are. I have already raised the issue with the tourism people.

Mr BACON - I know, but we cannot have a partnership agreement in that sense.

Mr BOOTH - It depends how you couch the partnership agreement. It also goes -

Mr BACON - And someone has to sign it on the other side.

Mr BOOTH - Yes, but it goes to the requirement to make sure that there is a broader access available, so that there is an avenue, if you like - an open door - for any operator in the hospitality industry to make sure that they are not necessarily excluded by the peak body arrangement.

Mr BACON - In that respect, in my case there is definitely an open door for any operator in the industry and, from the sound of it, it is the same with the department.

Mr BOOTH - It is very good that that is the case, and I am not suggesting otherwise. But because you have not entered into this formally, I am just making the point that it is really important to make sure that you do not inadvertently lock the door on people who do not feel represented by their so-called peak body.

The other thing with a partnership agreement - I know the way they were constructed in the past was that the agreement is that government will do certain things, but then they have to agree never to criticise government policy. I want you to put it on the record that you will not have that as part of an agreement.

Mr BACON - We will not have a clause in there that says the THA cannot criticise government policy.

Mr BOOTH - Because there was an agreement with the tourism protocol some years ago where they were not allowed to comment on the effect of forestry, for example, on tourism.

Mr BACON - We will not have that in this one.

Mr BOOTH - That's good.

Mr SHELTON - A question, minister -

Mr BOOTH - I just have a -

Mr BACON - You just had a go.

Mr BOOTH - I have only had a couple of questions but over to the Chair.

CHAIR - If you have one more -

Mr BOOTH - Are you finding my line of questioning too -

Mr BACON - No, I just think Mr Shelton has been very well behaved and deserves a question.

Mr SHELTON - I will get that opportunity as soon as you have asked one more.

Mr BOOTH - It was just to do with how you are organising to make sure that you connect with - and once again it goes back to the non-peak body - smaller businesses in the Tamar Valley and on Flinders Island. Flinders Island in particular has a special and unique brand that they are promoting. It focuses very much on low-carbon travel - and they are moving to as close to a zero carbon footprint as possible - and local produce such as local sea fish, olives, wines that they are growing and meats of all different types. Do you have any mechanism to engage with those groups specifically to encourage some sort of promotion of that but also to share information about it?

Mr BACON - In terms of tourism - and it covers hospitality as well, I suppose - there is a move to a more regional model so that we can get a closer engagement point to government and individual operators to make sure that their needs are best met the government.

Mr BOOTH - Is there anything specific I can tell people either in the Tamar Valley or the Flinders community to the effect that this is the approach you will be taking as a minister to encourage them to be engaged?

Mr BACON - Certainly you can get them to contact me. As we move forward with this I can provide you with more information or we can contact them directly, whichever way you think is best to get the information out.

Mr BOOTH - I can provide them with that information if there is interest from you?

Mr BACON - Yes, absolutely there is. I will be happy to talk to anyone involved.

Mr BOOTH - Have you had a chance to engage with people? On Flinders Island in particular their own tourism group has an outstanding approach to it and a rather brilliant plan for tourism on the island. As I said, it is based on a zero carbon footprint, and they can tell you all about it. It is very exciting, and something that adds value to the whole brand of Tasmania, so it will be of benefit to more than just Flinders Island.

Mr BACON - I would be keen to see that, and I would be keen to get to Flinders Island and have a look myself.

Mr BOOTH - All right. I will approach the association and the people on the island and make sure that you are given that opportunity. I am sure you will be very welcome.

Mr BACON - Fantastic. Thank you very much.

Mr SHELTON - Back to the Liveable Places Unit, which you have mentioned do basically most of your work -

Mr BACON - Thank you for your generosity, Mr Shelton.

Mr SHELTON - There's a liveability strategy. Can you outline the objectives of the liveability strategy and when you produced it?

Mr BACON - That is a question for Mr David O'Byrne as the Minister for Economic Development.

Mr SHELTON - You are saying that the work is done through the Liveable Places Unit -

Mr BACON - The hospitality work is done out of the Liveable Places Unit, yes.

Mr SHELTON - You cannot explain the strategies that that back up hospitality out of that unit?

Mr BACON - That is a question for David O'Byrne as Minister for Economic Development.

Ms JACK - Perhaps I could make one correction. The strategy has not been developed; it is in the process of being developed. The first IDC meeting has not yet been held. This unit has been given the responsibility of developing a liveability strategy. A discussion paper is out for consultation, and that has only gone to Government departments at the moment. So even if the strategy was sitting in the hospitality portfolio, the minister could not give you the objectives under it because it is in the process of being developed.

Mr BACON - So it is the wrong portfolio and the wrong question at the wrong time.

Mr SHELTON - The basis for my question is that the Liveable Places Unit is the unit that is doing the work for hospitality.

Mr BACON - It is the wrong portfolio.

CHAIR - Minister O'Byrne is available for questioning in Estimates Committee A this afternoon, Mr Shelton.

Mr BACON - That is right. You can ask him this afternoon.

Mr BROOKS - With respect to the skills initiative, do you think the 60 businesses surveyed so far are enough on which to base the report and strategies for the future?

Mr BACON - I think it is a good starting point, and we would like to build on that in the future.

Mr BROOKS - So you will need more?

Mr BACON - We will have to wait for the report to be released.

Mr BROOKS - Is it enough? That was the question?

Mr BACON - I think it is a good start.

Mr BROOKS - I wanted to talk about regional areas and occupancy rates. Do you have concerns for the hospitality industry if there were to be school closures in regional areas?

Mr BACON - Sorry?

Mr BROOKS - If there were school closures in regional areas, do you think it would impact hospitality industry businesses in that area?

Mr BACON - There may be some impact on specific businesses.

Mr BROOKS - Are you worried about them?

Mr BACON - I am worried any anything that affects the hospitality industry.

Mr BROOKS - Will you represent those views should any school closures proceed?

Mr BACON - I think school closures are a matter for the Minister for Education.

Mr BROOKS - I did not ask whether you agreed or wanted them; I asked whether you would pass on views and concerns about the impacts of those.

Mr BACON - If someone raises their concerns with me, I will pass them on.

Mr BROOKS - I wanted to continue with the general strategies around power prices and things that are hurting small businesses. Many are involved in the hospitality industry, so it is a hospitality question.

Mr BOOTH - They might have to turn their electric blankets off at night.

Mr BROOKS - Yes, or the fridges to stop the beer being kept cold.

Mr BACON - I will never countenance that.

Mr BROOKS - Electricity costs are a significant issue for many hospitality businesses, because they cannot turn the fridges off, they cannot turn the power off to the rooms and units. What will you do to assist the industry with increased expenses in running their business?

Mr BACON - What will I do to keep power prices down?

Mr BROOKS - What will you do to help hospitality businesses cope with the increased cost of running their business, as the hospitality minister?

Mr BOOTH - They are not the forest industries here. They have not been living on the public purse so long that they are addicted to it yet. You guys have been advocating that all these public subsidies go into the forestry industry.

Mr BACON - I will be happy to any concerns that any hospitality operator has and try to help them address those concerns.

Mr BROOKS - Do you have any ideas of your own as to what you could do?

Mr BACON - In terms of power prices?

Mr BROOKS - No, supporting hospitality businesses with the increased costs of running their business.

Mr BACON - I would be happy to talk to any hospitality business that is having any concerns with anything about any problem they could possibly have and help them in any way I can.

CHAIR - Mr Brooks, I suggest you put that question to the Minister for Economic Development.

Mr BROOKS - I am asking about hospitality businesses.

CHAIR - Yes, which falls under the broader business sector. Economic Development are dealing with those issues, so perhaps that question is better placed for Estimates Committee A.

Mr BROOKS - So you are saying, with all due respect, Chair, that the Minister for Hospitality is no longer responsible for businesses in the hospitality industry.

Mr BACON - I am not responsible for power prices.

Mr BROOKS - You are not responsible for helping them.

Mr BOOTH - Through this engagement with the industry and research, you mentioned earlier that you are looking at skills, career pathways, investment, seasonal issues and so forth. What sort of knowledge base have you accumulated? Is it available -

Mr BACON - In the hospitality sector what knowledge base have I accumulated?

Mr BOOTH - Not you. I mean your department in terms of that need for partnerships, skills development, training, electric blankets or whatever it is. You have gone out there, you have gathered a whole lot of information presumably. What do you do with that information? How does it inform people and where can they get hold of it?

Mr BACON - In terms of the skills issue, that report that will be released soon, and it will be released publicly. In terms of the other issues, they have been brought to us by industry and we will look further in to those in the future and if there is any information that we can -

Mr BOOTH - If you have been through this in this Estimates already when I was not here, please say so, because I do not want Hansard to have to listen to this stuff twice, or people who are reading it to read it twice. You have identified that there is a skills shortage in the hospitality industry, whether it concerns baristas or bar workers or chefs or something -

Mr BACON - Yes, chefs are a classic one.

Mr BOOTH - So walk us through that. What do you do? Your department has gone out and you have discovered that there are no chefs around. What is your role then, and how do you deliver that?

Mr BACON - Then we will be communicating with the Minister for Education and the Skills Institute, places like that, to make sure that we match the training that is available with the shortage that the industry faces.

Mr BOOTH - Do you make a submission that they ought to be training another 55 chefs or -

Mr BACON - When this report comes out it will be fed into those kinds of things.

Mr BOOTH - But you have a specific report on skills shortages so -

Mr BACON - In hospitality?

Mr BOOTH - In hospitality, yes. So that covers all of the areas that you would identify as having deficiencies?

Mr BACON - Yes, the 60 businesses identify the shortages and that will feed into the report, which will then inform government policy about the skills and training.

Mr BOOTH - There has been a complaint with regard to the lack of workers who are five-star accredited - that is what it is called, from memory - but the fact is that most of those graduates who have paid for and been through things like Drysdale are grabbed by Federal Hotels or work out of the State, whereas the real need is for three-star accredited staff rather than five-star chefs and whatever. Have you identified that?

Mr BACON - The report has not been released yet. Whatever is identified in that report in terms of skills shortages, whether it is three-star or five-star employees, that will be fed into Skills Tasmania to try to address the shortage.

Mr BOOTH - But you have heard that criticism, have you, or that concern? It is not a direct criticism of the department but a concern amongst tourism operators.

Mr BACON - I have heard concern from the THA but also from individual operators that chefs in particular are impossible to find at the moment, and hopefully this will go some way to addressing those concerns.

Mr BOOTH - Without asking you to release the thing, if it has identified that as an issue amongst those 61 businesses, that will have come out of the statistics?

Mr BACON - Certainly. If that is in the statistics, it will be fed into Skills Tasmania down the track.

Mr BOOTH - Are you confident, then, that the 61 businesses - and we touched on this earlier with regard to the potential for an astra [tbc1.59.49] organisation to represent the needs of their major -

Mr BACON - So it is a concern for you that they would all be THA businesses?

Mr BOOTH - I am not sure that they are, but we could find out.

CHAIR - The time for examining Hospitality has expired. I thank the minister and his officials. We will move on to Veterans Affairs'.