

Thursday 25 June 2009 - Estimates Committee A (Llewellyn) - Part 2

Ms FORREST - In relation to innovation in agriculture, I am interested in what your view is on what innovation actually is and how do you determine a project or a program is innovative? We have looked at the age-old public benefit test where the costs are justified but the public benefit will be - can you tell us what the criteria are for establishing an innovative project? You can provide also some examples if you like as to how the outcomes have been measured of those?

Mr LLEWELLYN - Prior to lunch I went through a series of innovative things that I think we can do in primary industry from a government policy point of view. That is what our innovation policy is all about.

Ms FORREST - What are the criteria? Is there a public benefits test done or do you simply think it is going to be good so you take a punt on it?

Mr LLEWELLYN - No. Professor Jonathan West has developed an innovation policy for Cabinet. The issue that he sees as the major opportunity within the primary industry sector is the additional water as part of our irrigation program. This will lead to a whole lot of innovative new products and development within Tasmania which will increase the economic value of those products for Tasmania - quite large increases, doubling, tripling and, in some cases, quadrupling the existing capacity.

Ms FORREST - So the modelling shows that?

Mr LLEWELLYN - Yes.

Ms FORREST - What projects can you point to that have demonstrated measurable outcomes in this area?

Mr LLEWELLYN - We are talking about possible things for the future. In the north-east of Tasmania where I think it is pretty common knowledge now that if we can supply around 125 gegalitres of water we could encourage and develop large dairy opportunities in that part of the State. I am talking about 50 000 dairy cows which would transform the dairy industry in this State and attract other players such as Murray Goulburn, who has been interested in doing this. That is just one example of what might happen. On the north-west coast the extra work we are doing at the moment at Blythe, Forth, and Wesley Vale has the capacity of doubling or tripling the output of current products such as vegetables and enabling some new products to be introduced.

Ms FORREST - Would you agree that Treasury has a slightly different view on what might be acceptable as far as innovation goes, particularly with water?

Mr LLEWELLYN - Yes, I do. Treasury has been critical of some elements of Dr West's document., I have publicly stated that Treasury, by its very nature, is risk-averse, and quite rightly so. They have to draw people's attention to various aspects, but being risk-averse in the extreme is a recipe for doing nothing. You have to look at those opportunities and take a few reasonable risks to get the outcomes.

Ms FORREST - Do you undertake a public benefits test on these projects?

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Mr LLEWELLYN - We do on all of the irrigation programs, for instance. Those programs have to be economically viable, socially acceptable and environmental sustainable. They are the three tests that we put on the projects and then it goes through a whole planning process. That will come under the water output.

Mr EVANS - The key is water and we have a strategy in place to increase the water for innovation to support development, but that, in itself, will not lead to development. If you look at the Coal River valley, the uptake of water and change of use of land was fairly passive. We see the opportunity to support the water program with an innovation strategy to help innovative farmers to change. In the Coal River valley a really good example of innovation is the work that Houston's Farms have done. They were poultry producers at one point and they have transformed their business into a lettuce-producing business and then innovated beyond that to grow different varieties and package it ready for use. That is a really good example of innovation.

What we want to do is to support the water program with an innovation strategy to ensure that we can assist farmers to use the water and innovate in terms of new enterprises. The minister talked this morning about moving our extension staff into TIAR to create key centres for research development and extensions as one way that we believe we can better support, in particular, the extensive agricultural farmers and the horticultural farmers to innovate when water comes on line.

CHAIR - In regards to the remarks that you made about TIAR before. A few weeks ago I actually cycled past the Cressy Research Farm, which gave me a bit more time to have a look at it - this was before I came adrift on Woolmers Bridge, I might add -

Mr LLEWELLYN - I would like to hear about that!

CHAIR - Well, that's another story. Outwardly that the farm had a bit of a dilapidated air about it and I just wondered what is happening there. Is it being considered for disposal if there is not much happening there because I would imagine that there is quite a bit of a valuable property in terms of assets with land and water. Are TIAR doing anything there at the moment?

Mr LLEWELLYN - No. It is still within the extensive animals area. Along with the horticultural group, with this transfer we are now talking to TIAR and one of the decisions that we have made is that we will talk to them about the two research farms as well; the Grove research farm in horticultural products, and also Cressy. I think right at the moment there is only something like 15 per cent of the farm being used from a research point of view; the rest of the farm is being operated as a normal business, really, to cover -

CHAIR - Is it being leased out?

Mr LLEWELLYN - No, I do not think so. It is being operated by ourselves to cover the costs of the staff and so on there. It may be that we can provide more research in the area through TIAR and the like. So, we are investigating that. If that is not possible, then perhaps leasing or whatever for the farm. There are some other issues there that need to be considered as well. The houses at Cressy in that cul de sac area were part of the old land army wartime effort. There is some heritage value associated with that so we have to take that into account as well. We have advised both the TFGA and Fruit Growers Tasmania that we would not be doing anything with either of those farm properties unless we had fully consulted with them to see what best to do.

CHAIR - Elliott and Forthside are obviously set up.

Mr LLEWELLYN - Yes.

CHAIR - How many hectares on Cressy?

Mr LLEWELLYN - I do not have that.

CHAIR - With the Cressy-Longford irrigation scheme there has been quite a major expansion of agriculture in the northern midlands area. There are probably opportunities from a pastoral point of view to do intensive pasture management in terms of maybe even beef production.

[1.45 p.m.]

Mr LLEWELLYN - Those sorts of things, yes. I know that in the past we have looked at it for deer farming, for instance. We had a game management group working out of there. But deer management was one of the principles that we researched there. On another occasion, fine wool production. So there are various things possible but something to do with irrigation and may well be something -

CHAIR - Hemp?

Mr LLEWELLYN - I do not know about hemp. I was approached a number of times over the years from people wanting to lease or even buy the property. I think on one occasion was to develop an organic dairy operation. But we need to discuss these issues with all of the parties and see what best we can do with the facility.

CHAIR - It is a pretty valuable asset that needs to be worked to its full capacity, one would suggest.

2.2 Marine resources -

Mr WILKINSON - I understand what the line item is all about. I know, a few years ago, there was a real problem in relation to salmon and the seals. It seems to be an argument, a bit of a debate, that has been going on for quite some time now. What is happening there and is the industry happier than they were a number of years ago? Probably two questions.

Mr LLEWELLYN - It is two questions. There are still these problems with seals, quite obviously, in the salmon industry and at the moment there are some additional problems associated with seals and some of the seal protection that has been applied to nets. So we are actively discussing the issue with Tassal and other growers, trying to minimise the effect of seals on the industry itself, but trying to maximise the protection of seals as well, at the same time. It is not an easy issue. I am not sure whether we have stopped the transportation of seals.

Mr EVANS - No.

Mr WILKINSON - It does not take them long to come back though, does it?

Mr LLEWELLYN - No, that is true. But I was aspiring to Sir Richard Dry's reputation of being the first Tasmanian-born minister to stop transportation of seals.

Laughter.

Mr LLEWELLYN - But we have not achieved that at this stage.

Mr WILKINSON - How much is the damage that they cause to the Tasmanian industry?

Mr LLEWELLYN - I do not know whether they have made exact estimates of that. But if they were to rip big holes in the sides of cages - which is not happening now, I believe, I think they have well and truly sorted those issue - out and the whole lot of the salmon, 250 000, get out, then that is quite a significant outcome. But, right at the moment, I think it is the mortality level of fish through them charging cages and that is relatively few fish.

Mr EVANS - But I think they also lose production because the fish can stop feeding when a pen gets attacked and every day that a salmon does not feed, given that they grow from 100 grams through to six or seven kilos in 14 months, you do not have to lose too many days feeding to have a major financial impact in lost production, loss of growth.

Mr WILKINSON - There seems to be many more seals around the Tasmanian coastline than there were in the past. Obviously, it would seem that is because they realise that there is a good feed for them when they come close to the shoreline. Are you able to say, at all, how the seals have increased around Tasmanian waters in recent times?

Mr LLEWELLYN - We might be able to find something - our officers from the resource management and conservation area are probably best to make those analyses.

Mr FORD - Indications that the industry were given yesterday was that we believe there is in the order of at least 60 000 to 70 000 seals.

Mr WILKINSON - That being the case, has there been an increase in shark sightings as a result of the seals coming close and the increase in seals? My anecdotal evidence from fishermen is that that is the case.

Mr LLEWELLYN - Large sharks feed on seals and if there are more seals there are likely to be more sharks.

Mr HARRISS - Not just because of the increase in seal numbers but because of the very existence of fish farms. Are we doing any monitoring as to any increase in shark activity or shark numbers purely as a combination of the fish farms and the seals? From a recreational point of view the fish farms that I am aware of around the State are fairly closely located to beaches and the sorts of areas that people like to frequent, and recreational fishing as well.

Mr LLEWELLYN - I suppose one thing leads to another but I do not think there is any correlation between the sharks and the cages. I have never heard anyone talk about shark attacks on salmon cages. There may have been, but I do not think so.

Mr FORD - The increase in shark numbers is probably more attributed to the reduction in fishing for sharks and that there is food more available. Large sharks such as white pointers are going to be attracted to seals and the seal population is increasing in part because we also stopped hunting seals so the population has been recovering over the last 80 years or so. Those factors are far more important and vital in seal and shark populations than the presence of salmon farms.

Mr WILKINSON - Is the increase in seal numbers, and therefore the increase in shark numbers, cause for alarm?

Mr LLEWELLYN - I do not know whether it is in regard to shark numbers but certainly the increase in seal numbers is a problem for the fishing industry in general. The fishing industry in general is saying that now larger number of fish are being taken by seals before they can harvest them. That has an effect on the sustainability of the fish species and the total allowable catches, and it must move through the system and probably as a result of us protecting seals. I do not think anyone is going to start culling seals.

Mr WILKINSON - No, I am not saying that. I am just trying to look into the difficulty marine farmers were having, and obviously still are having, as a result of the seal population. To me, that has only increased due to the increase in seals. Against that, is there added protection for the salmon with the new netting et cetera around those salmon? Does that help to some degree?

Mr LLEWELLYN - I think it does help but also in recent times there have been reports of the salmon netting structure that surrounds the salmon cages creating a cage for seals and there have been a number of seals that have drowned. We have to be concerned from that point of view also, that the attempts by salmon farmers to stop seals getting into their facilities are not creating a situation that kills the seals. The ideal situation would be that we could keep the seals out of the structures but still maintain the structures without affecting the seals or their health. There have been some issues with regard to the predator nets and the salmon pan 'megabase netting structure' - there is a false bottom in the net - which have created a situation where seals have got in and have not been able to get out and they have drowned. It is of some concern and we have recently been discussing that with companies involved.

Mr WILKINSON - The increase in temperature in Tasmanian waters over the last couple of years and, as I understand it, the hotter the temperature, the less weight the salmon put on. Is that a problem?

Mr LLEWELLYN - It is, but it is more an issue - and I can be corrected on this - of the amoebic gill disease that we have in the Tasmanian waters. As the temperature rises, it stresses the salmon and they are more vulnerable to amoeba that get into their gills and you have to take the fish and bathe them in fresh water to kill the gill amoeba. It has a negative effect on the productivity of the fishing enterprise. I think if the waters around Tasmania rise much more than 2 degrees that is going to challenge salmon farming.

Mr FORD - The warmer to hot summers do pose significant issues for the industry. It is a multitude of factors, it is the increasing temperature, slowing the conversion of food into flesh, and also the amoeba, algae, jellyfish. We are growing salmon on the upper end of their temperature regime and that does make it problematic for the industry, particularly in warm summers in the D'Entrecasteaux and Huon systems which are quite shallow.

Mr EVANS - The industry has a joint-venture project with the CSIRO to look at selectively breeding salmon. It is a fairly major project and a large investment and that is designed to, through the normal agricultural-style selective breeding program, select a population of salmon which is more resistant to some of those factors that are going to change into the future. The industry is not sitting passively on its hands.

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Mr WILKINSON - The industry has been a success story within Tasmania. They have been leading the pack as far as innovation is concerned. A lot of businesses have grown up side by side and it would seem that is going to continue?

Mr LLEWELLYN - Yes. There have been a number of attempts over the years, going back almost 20 years, for it to diversify a little bit. There has been some commercialisation of the striped trumpeter but I think that is proving to be a longer growing fish - not in size but taking more time to grow to market size - and therefore the value of the fish is not quite as good. I think in these sorts of situations we would like to put more effort and energy into trying to see that sort of diversification into the future.

Mr WILKINSON - A couple of years ago there were new laws in relation to gill netting at night. How has that impacted on the fish stock?

[2.00 p.m.]

Mr LLEWELLYN - We hope positively. We also have the scalefish management plan that is currently under review. We have to come to some settlement on that by 1 November this year. There have been a lot of submissions on that, some of which are to do with netting, safe times for netting and recreational netting in particular. So we are monitoring it. The first management principal that we need to take into account with the Living Marine Resource Management Act, is species sustainability and that is always the first thing that people, including me as the minister, think about and making decisions in that area.

You might recall the argument for marine protected areas and the fact that we have been looking at the Burnie bioregion recently and we have settled on quite a number of areas that we have declared ought to be protected, as far as the undersea ecology is concerned.

We have always maintained that the best way to manage the fish species that are taken out of the water is through overall management imperatives and the toolbox of things that we have to manage that, using the Living Marine Resource Management Act. We have come under some criticism for doing that from some conservation groups but I think it is the best approach because you get the best of both worlds. We are looking after the environment and the habitat of fish species and, at the same time, we are one of the few areas in the world where we have several sustainably managed fisheries. There are not very many that you can point to around the world. Both the rock lobster and abalone fisheries would fit into that category. We are very careful with research, science and management. Fish do not differentiate as to whether or not there is a line on a map. They swim across those waters. So you have to deal with the fish in a different way. It is in that area that Professor Buxton from TAFI and a numbers of others, have come to the conclusion, that the statements that people make about marine protected areas being a refuge and therefore enhancing the number of fish, are not exactly right when you analyse it in the broader context.

Mr WILKINSON - You don't often see them with their suitcase, moving from one area to another do you, to take up residence?

Laughter.

Mr WILKINSON - Talking about recreational fishing. I have noticed an increase in bottom fish over the last couple of years. What do you put that down to? Do you put that down to

management? Do you put it down to a cycle where the temperature et cetera is such for the fish to be there as opposed to what it was a number of years ago?

Mr LLEWELLYN - Are you talking about flathead?

Mr WILKINSON - Yes.

Mr LLEWELLYN - As with a lot of species, they do better at certain times than others and we have put a lot of effort into trying to educate recreational fishers to take the amount of fish for a feed.

Mr WILKINSON - Fish for the future as opposed to fish for the freezer?

Mr LLEWELLYN - That is exactly right so 'all of the above', in a sense that all of the factors are positive.

Mr FORD - It is very hard to find real cause and affect because there are so many multitudes of seasonal variations and changes in commercial fishery, changes in recreational fishery, changes in people's practices. The message about fishing for the future and more responsible fishing. There are a whole lot of positive changes that are resulting in increased population and you cannot identify any one of them through any particular research program.

Mr WILKINSON - A friend of mine from Melbourne came down and he was talking about how the fish were biting when he was a little kid and how he used to go out with his father and we took him to the spot out in the Mercury Passage and he did get to a stage where he was looking over the side, near Lachlan Island, could see the fish and was saying, 'No, I don't want that one, I want this one.' So he was pulling his line away from the fish, as they were about to bite, to get the bigger one. Crazy. I say that because that is how plentiful they have been.

CHAIR - Any more on marine resources?

Mr HARRISS - This goes across two matters. You have indicated in the performance information on page 11.13 that you are able to leverage external funds as a result of the activities of both TAFI and TIAR, so TAFI for this process but TIAR previously. Can you give an indication of the sources of those funds, please, and the quantum? The quantum there is the total, but can we get a break down of the sources of those funds please?

Mr FORD - I can give you an indication of the funding body but if you want a detailed breakdown you would have to take it on notice.

Mr HARRISS - Yes please. Just the sources then, Wes; do you have that at your fingertips?

Mr FORD - Fisheries Research Development Corporation, Australian Research Council are the principal two but then also through NRM, through the National Heritage Trust and the Caring for Country funds. There are a number of smaller investment areas; investment through things like the current Seaford CRC and the Aquafin CRC.

Mr HARRISS - Yes.

Mr LLEWELLYN - It is either one of those two.

Mr FORD - And they all provide different levels of support.

Mr HARRISS - Okay. Any potential for overseas attraction for those sort of funds, given the recognition of our research facilities?

Mr LLEWELLYN - Yes. There has been. One of the major companies in the United States has been looking at assisting us in a number of areas. Growing out rock lobster and being able to close the cycle on rock lobster has been one area where I think we received some assistance.

Mr HARRISS - Is there any potential for an increase in fish farming? We have the salmon, of course, but any other species, given that that is an introduced species to Tasmania from the northern hemisphere. Any other areas in the northern hemisphere which might represent an opportunity for Tasmania?

Mr LLEWELLYN - There are quite a number of species of fish that probably could be farmed here but again the value of the industry, the cost that you put in to get price per kilogram out is the issue that determines whether or not it is possible. I mentioned the striped trumpeter which is now able to be reproduced in commercial quantities but it is a matter of getting the return on them after a longer period of growth. Even the old common wrasse, one could - I don't know; they grow them in China and around those areas or a very related species and so very well out of them but we have not looked at those types of species. In South Australia there is barramundi; flounder is another species that is farmed in some areas. So there are a number of possibilities.

Mr HARRISS - Yes, I was thinking specifically, I suppose, of the similarity between our growing conditions here and some places in the northern hemisphere. That is what attracted the salmon to Tasmania, of course, because of the similarities. So, are there any similarities in any of the northern hemisphere aquaculture processing?

Mr LLEWELLYN - I don't know. Wes may be aware of some other thoughts that TAFI had.

Mr FORD - It really comes down to economics because there is a limiting factor around the amount of water that we could reasonably have fish farmed because there has to be a balance between community needs and industry needs.

Mr HARRISS - Yes.

Mr FORD - But, as the minister said, it comes back to essentially the highest per kilo, the highest dollar return per hectare of fish farm water available. Currently nothing can out-compete salmon so the salmon companies are not interested in exploring other options at this point in time.

Mr HARRISS - Okay. Then, finally, to the Minister, are there any plans to further restrict or reduce access to rock lobster for recreational fishing?

Mr LLEWELLYN - No. We have, again, looking at the management aspects and the whole question of rock lobster from the point of view of sharing the resource between the commercial and recreational sectors. The issue was addressed in the 2005 review of the rock lobster management plan, with the implementation of the formal resource-sharing arrangement. If you recall, that was a 10 per cent resource-sharing arrangement. The one issue there is that it is very

difficult to know exactly whether people are catching the 10 per cent or how much of that percentage is being caught by recreational fishers. There has been a lot of different from a number of people as to how we can get a better handle on doing that, but nothing has been decided. The application of the TAC arrangements and so on for the commercial fisheries has resulted in a reduction of 3.5 per cent in the commercial sector catch allocation because of the scientific input and modelling we have done. That in itself has initiated the response from the commercial fishers who say, 'We've taken 3.5 per cent reduction, are the recreational fishers catching more than 10 per cent? If so, they need to take some sort of reduction as well.' We are not sure it is not the recreational fishers, it is an estimate and the estimate is that they are not catching the 10 per cent at the moment, but we do not know.

Mr HARRISS - So if you did know and they were not catching the 10 per cent, what would be the reaction of the commercials? Would they want to see a reduction in the 10 per cent because it is not being caught and then reallocated?

Mr LLEWELLYN - If, as is the situation at the moment, the commercial fishers are allowed to catch 1 700 tonnes, they would see 170 tonnes as being the recreation maximum limit. We do not know whether recreational fishers are catching that much but if they were catching that much and there would be 3.5 per cent reduction in commercial, I think they would want to see that the 90:10 per cent is maintained, but determining that is a difficult process.

Mr HARRISS - The question was, if it can be determined that recreational are not catching the 10 per cent over the time it has been monitored, is there a move by the commercials to crank themselves up and formally reduce the recreational?

Mr LLEWELLYN - I do not believe so. If, for instance, the commercials were catching 1 700 tonnes at the moment and had to take a 3 per cent reduction in that and the recreational fishers were only catching 100 tonnes, the recreational fishers would not have to take a corresponding amount because it would not have been a 90:10 relationship; it would be less.

Output group 3 Resource management and conservation

3.1 Land management issues -

CHAIR - I notice there, Minister, that there is a \$300 000 cut in the 2009-10 budget. Do you have a breakdown of what that cut might relate to and its impact? That department does work on salinity and those sorts of issues and with the new irrigation schemes that are going in or mooted, obviously more resources have to be put towards looking at those salinity issues.

[2.15 p.m.]

Mr LLEWELLYN - Certainly the salinity issue has been identified as a land management issue in some areas of Tasmania proposed for irrigation development. The department's Land Conservation staff have monitored and mapped indicators of salinity in known high-risk areas in Tasmania for several years. This work has resulted in landscape-scale information on the presence and the potential extent of soil salinity.

The Government is a signatory to the MOU with the TFGA and NRM regional bodies to establish a partnership aimed at developing a property management system framework for Tasmania. The department is working through that framework, and with the Tasmanian Irrigation

Development Board, is contributing to the development of property planning modules to help farmers identify and manage land and water management issues. The modules will ensure that future development through irrigation is sustainable and consistent with best-practice management in the interests of providing greater understanding of the underlying drivers for salinity. One of the key areas for irrigation development is in negotiation with the Australian Government regarding the funding of an airborne electromagnetic survey of the Midlands, the Shannon-Ouse-Clyde catchments and also the north-east of Tasmania. Such a survey would define hydro-geological factors such as ground-water levels, salt stores and buried geological features that could contribute to increased salinity as a result of irrigation. Knowledge of such features will assist in sustainable land-use planning.

CHAIR - How accurate is that technology?

Mr LLEWELLYN - I think it is pretty accurate, but again Penny can comment on that. The department is in partnership with NRM North and South, and has also completed detailed salinity hazard reports for 14 municipalities in eastern Tasmania. These reports map salinity hazard areas in each municipality and provide advice on best-practice management and identify hazards.

CHAIR - It was in regard, Penny, to the cuts related to it, and the impact.

Ms WELLS - The decrease is actually due to the cessation of a number of externally funded projects that are due to wind up, for example, the soil condition monitoring project. So those funds are not factored into the forward Estimates, and that is where the apparent decrease comes from. It is not actually a decrease in the funding to core services.

CHAIR - Obviously the department has a fairly close relationship with the NRM. Do you cooperate on projects? I just want to get an understanding of just how that works with the department.

Mr LLEWELLYN - Yes, we do. The NRM framework has been in place since 2002. Under section 20 of the NRM Act, I was required, as the responsible minister, to review the act within five years of its commencement, and I received and accepted a final report in March last year. I do not see very much in the way of change then, in fact we have put that before the Parliament. However, there were some 18 smaller recommendations, including a proposal for some minor amendments to the act. On 16 June Cabinet accepted all of those recommendations. The majority of the recommendations related to the implementation of the framework, they included methods of improving communication and the setting of State NRM priorities, the functions and membership of the regional committees and the operation of the council. The implementation of the review recommendations began in September last year and the NRM council has been active in advising me on the methods and progress of this process. To date, 12 of the 18 recommendations have been fully implemented. Final recommendations relate to updating the framework document to reflect the changes made as a result of the review. We have just put together a new NRM council which will meet later in 2009 and will play a key role in assisting regional organisations in reviewing and updating their strategies. So there will be some consistency right across the State.

CHAIR - Could you provide us with a list of the members of that council?

Mr LLEWELLYN - We have not finalised it yet.

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Ms WELLS - We are at the stage where the nominations have been made and there is a gazettal process before the public announcement.

Ms FORREST - This area covers the legislative frameworks for weed management?

Mr LLEWELLYN - Yes.

Ms FORREST - The issue of weeds on The Nut at Stanley, which is managed - or not managed might be a better description - by Parks. The Nut is exposed to the elements and a lot of weed seeds blow onto neighbouring properties and farms. Are you able to address that issue and can we see some action in that area soon?

Mr LLEWELLYN - If we receive a letter from someone who makes these allegations I usually forward it on to my colleague and she then has to respond.

Ms FORREST - Does she respond to you, Minister?

Mr LLEWELLYN - Yes, she usually sends me a copy of how she has responded to someone else.

Ms FORREST - What does she say in those responses? We do not get to talk to that minister.

Mr LLEWELLYN - With regard to weed management on crown lands, the Government is responsible for managing weeds on land that it owns or manages. Declared weeds on crown land have to be managed in accordance with the relevant statutory weed-management plans to ensure weed problems from public lands do not impact on other land managers and also to protect the land's values. Significant efforts are made to ensure that high-value conservation reserves such as World Heritage areas are kept free of weeds. My department provides technical and scientific support to the relevant land management government agencies across a range of issues, including the management and control of weeds to reduce the threat of wildfire and the protection of natural values, assets and public safety. So we have responsibility for weed management and my department provides advice. I would be the first to acknowledge that we probably do not do as much as we should, but it is a matter of priority and resources.

Ms FORREST - When you consider, Minister, that The Nut is on the front cover of Zone Marketing's brochure - and I know tourism is not your area either - but when tourists get up there, the lookouts are closed, the walking tracks are closed, the weeds are dispersing to the neighbouring properties. You are saying that they are high value land to look after, you offer technical and scientific support, protection of natural values. However, clearly there is something not right here. There is no communication between the departments or there is no cooperation that sees this sort of work being undertaken because it is not just an issue for the tourism aspect but it is an issue for the surrounding landowners and maybe it is an issue of resources but surely we have to do more than this. If we are seeing cuts in your department, as we are in Parks, then what is to become of The Nut?

Mr LLEWELLYN - Well, again, I will just remind you and what I said was that the Government's role in weed management includes managing weeds on the land that it owns or manages. In our case, we do not manage The Nut because it has been classified as a conservation

area under the Nature Conservation Act; that is managed by Parks and Wildlife. I do not want to duck-shove but it is -

Ms FORREST - I know that but would you recommend, as minister who has the technical support, that maybe the minister who is responsible for it should hand it over to an organisation that can deal with it? It is clearly not being dealt with and we have had the weed management plan for I do not know how many years, we have had several attempts at getting it cleaned up, the community are right behind it but nothing happens.

Mr LLEWELLYN - Well, I do not know whether there has been any effort to draw in the NRM north west group in that arrangement but with these limited resources we have had to resort to a lot of voluntary help and there are a lot of people willing to provide that support within the community.

Ms FORREST - Yes, and they get constantly frustrated because they get all ready to go and then for some reason they are told they cannot.

Mr LLEWELLYN - Well, all I can say is that the secretary does not have the responsibility for that just at the moment but he will have as of 1 July.

Laughter.

Ms FORREST - Right. We will do a side business. I expect to see you in my patch. Thank you, Chair.

CHAIR - Thank you. That has just reminded me; I am not going to go down the whole spectrum of weeds or weed management plans. We have been through that on different occasions but Ms Forrest did remind me about that particular weed, gorse. I do not know what its biological name is. In some places it is called 'goss' but anyway it is still, in my view, one of the most difficult weeds to handle that we have in this State. So the question is, is there any research being done or is there anything, apart from using some pretty powerful herbicides - and I have to say they are the only ones that seem to work at the moment. Is there anything in terms of a biological or any other outcome, any research being done on that at all? I understood there was.

Mr LLEWELLYN - We had biological control and we still have, I guess, in regard to gorse, in particular with the gorse flea, isn't it?

CHAIR - There was the ragwort flea.

Mr LLEWELLYN - Was it? Ragwort flea?

CHAIR - Yes. You have got your fleas mixed up.

Mr LLEWELLYN - It was a gorse mite.

CHAIR - Gorse mite; it does not seem to be doing much of a job, I have got to say.

Mr LLEWELLYN - It might.

Laughter.

Ms FORREST - It needs to do a mighty job down along the west coast.

Laughter.

Mr LLEWELLYN - We have currently a list of 111 plants declared under the Weed Management Act for which there are 102 statutory weed management plans. So, pretty near all of the declared weeds have management plans associated with them. The remaining weed management plans relate to species not recorded in Tasmania but listed as part of national agreements. So, we have -

CHAIR - With respect, I think we are probably aware of most of those so really the question was with this gorse mite, how effective is it and is that the only thing that is on the horizon at this stage?

Dr HARADINE - There are a number of biological control agents for gorse. Bearing in mind that I have not worked in weeds for 14 years, I am aware that through TIAR there has been a long-standing program provided for control for gorse and other weeds. I am aware of the mite and a number of other agents that have been released. I am not sure what the current results are but it has been a very active program in terms of gorse. But one of the problems with gorse is that the seeds live for 40 years or so in the soil and it is a very long and drawn-out process. If you stop them seeding for one year, then you have to repeat that for 40 years with the insect. So it is not something that is going to happen overnight.

CHAIR - I raised the issue because it has a huge economic impact, not only on private land but also on crown land and if you look down the west coast -

Ms FORREST - All the Murchison Highway, it is shocking.

CHAIR - Yes.

Ms FORREST - It looks quite attractive when it is flowering.

Mr LLEWELLYN - At one of the year it is very attractive but its attraction does not distract from the fact that is economically a problem.

Ms FORREST - But it has been raised with me, Minister, that particularly in the quantities it is growing down the west coast now, it is providing an understorey and producing its own little biodiverse habitat, perhaps with the mite, I do not know. It is going to be even more difficult to deal with.

CHAIR - It knows no boundaries. It flourishes in high rainfall areas and low rainfall areas. That is the problem with it.

3.2 conservation of Tasmania's flora and fauna -

Mr WILKINSON - Can I ask about the program in relation to the facial tumour on the devil? How is that going? Has there been an increase, decrease, a plateauing out? If you could give me an update, please, on the devil problem?

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Mr LLEWELLYN - Before I do that, John Ireson from the department has completed a final report on the national weed control project introduction and monitoring of gorse biological control agents, using community groups, stage 3. This project has evaluated the biological control opportunities available to Tasmania's producers. That was just a bit more information about that.

CHAIR - Is this available on the web at this stage?

Mr LLEWELLYN - If it is, we will certainly get you a copy or we will let you know.

Mr EVANS - John works for TIAR, not for the department. So we could find out through TIAR whether that was available.

Mr LLEWELLYN - In regard to the devils, trapping has confirmed the disease at 64 different locations across more than 60 per cent of the State in the wild. The overall wild population is estimated to have declined by approximately 70 per cent since the emergence of the disease. The department conducts statewide annual spotlight surveys to measure trends in abundance of wildlife species. Analysis in 2008 of that data shows that overall decline of devil sightings from 1992, pre-DFTD, to 2008, now 70 per cent. In sites where the disease was first noticed, such as in the north-east, the decline is stable at 94 per cent.

Analysis of statewide spotlight surveys has also shown that while devils are still declining, cats are increasing, although at a lower rate. Increased abundance of predators, such as cats and foxes, should they establish, may have implications for future reintroduction of devils from the insurance population, as they could face significant competition for prey from other predators.

Increased monitoring of the ecological impact of declining numbers of Tasmanian devils will be undertaken in the next year. While it is feared that this disease has a devastating affect on Tasmanian devils at the individual and population level, the full impact of this disease on the species which share the devil's ecosystems is yet to be determined.

Mr WILKINSON - Do they know the cause is yet?

Mr LLEWELLYN - We believe that we do. Penny would be better to answer that.

Ms WELLS - It is believed to have arisen from a single mutation in a single cell in a devil and it is rare amongst cancers in that it is transmissible through the population. It is a transmissible cell line. A devil with a tumour bites another devil and can transmit the cancerous cells to other devils in the population.

Mr WILKINSON - It is believed that is how the disease is spread to 60 per cent of the State. Is that right?

Ms WELLS - Yes, through devil-to-devil contact through biting in particular.

Mr WILKINSON - The real issue is, does the Government feel that they can offer any guarantee to the community that it is not going to become an extinct species?

Mr LLEWELLYN - That is the reason we have committed so much funding in this area. The community would not want to see the demise of the devil as an iconic species in Tasmania. On the positive side, there seems to be some strong evidence that we have seen declines and build

up of devil numbers in the past on several occasions, as I understand. We have had very low populations and then they have built up again, then down to very low populations again.

CHAIR - Yes. If you read the history of the trappers in the Central Highlands in the 1930s devils virtually were not seen for almost a decade. They just disappeared. Whether there was any relationship to what is happening now, I don't know.

Mr LLEWELLYN - Some anecdotal evidence that I received from a lady who now lives in Wynyard, who was living at Jericho, was along the lines that her husband had shot two devils on their property that exhibited this sort of horrific facial tumour because he was afraid that they might transmit this disease to his dogs. That is some evidence but it is not -

Ms FORREST - How long ago was that?

Mr LLEWELLYN - This was in the 1930s.

Ms FORREST - I have heard similar stories from other people.

Mr LLEWELLYN - Who knows if it was the same strain of problem. You could never rely on that type of evidence. We have to do what we can.

CHAIR - The expert is smiling down there.

Mr LLEWELLYN - I am saying that this is anecdotal. The other positive thing is that we have seen that some devils have had immunity levels to this devil facial tumour disease. However, we were monitoring one of them, Cedric, for quite a long time and ultimately he did succumb to facial tumour.

Ms WELLS - Strain two of the cancer did not have an effect on Cedric but strain three, when it was introduced, did start to form a small tumour and that was since removed.

Mr WILKINSON - Can we talk about feral cats as well because some might argue that the decrease in devils has led to an increase in feral cats. It would seem that feral cats are becoming a problem. What are we doing to endeavour to keep their numbers low. I saw one a couple of months ago you could have just about put a saddle on. They are getting bigger and bigger.

Laughter.

Mr LLEWELLYN - Last year in August we put out a position paper on cat management in Tasmania where we took the decision that we needed to do something about cats and proliferation of feral cats. A total of 171 submissions were received, and in general there was strong support for the main strategies presented in the position paper, including compulsory microchipping, desexing of domestic cats and the registration of cat breeders - those that hold 'whole' cats. The legislation is being drafted at the moment and it will focus on the management of domestic cats while also allowing for the humane removal of stray and feral cats. Key elements were the compulsory desexing, microchipping phased in over four years; conditions on the sale of cats, including all cats to be desexed and microchipped prior to sale - that is if they are not going to be sold for breeding purposes - and restricting the sale of non-desexed cats to cat breeders, and restricting cats from certain areas to reduce the impact on native wildlife and spread of disease

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from stray and feral cats. Disease issues are pretty important because a lot of these feral cats are diseased, which is very easily spread.

Mr MARTIN - Who is responsible for the enforcement of all that?

Mr LLEWELLYN - There will be a multiple responsibility. We have had discussions with local government in regard to it.

Mr MARTIN - They are happy with it, are they?

Mr LLEWELLYN - They are happy with it as it is presented. We have had negotiations with the RSPCA and others with regard to the provision of microchips, and those sorts of things - and vets, of course. But the owners will have to pay for these provisions themselves. If you want to have a cat it has to be desexed unless it is to be bred -

Mr MARTIN - Who is going to enforce that?

Mr LLEWELLYN - It will be an act of Parliament.

Mr MARTIN - But are you going to have people employed to enforce it?

Mr LLEWELLYN - In regard to enforcement there is a range of stakeholders, including animal welfare organisations such as RSPCA, the Hobart Cat Centre, environmental groups, including the Tasmanian Conservation Trust, as well as the Farmers and Graziers Association, Australian Veterinary Association, Local Government Association which have all been consulted in the development of the proposed legislation. Development of cat management legislation remains an important matter. The bill is anticipated to be ready to be debated some time during the spring session.

The department is assisting with research with the impact of feral cats on the wildlife. The impacts of cats need to be accurately known to guide management aims to reduce the impacts. The department is also assisting in planning the eradication of cats from Tasman Island, efforts for that include monitoring cats and their impact on the island itself. There will be people who can actually enforce this; as I understand, in the legislation. There could be people within Parks and Wildlife, Forestry, Hydro, farmer groups and local government.

Mr MARTIN - But who is responsible for registering of cat owners and so on?

Mr LLEWELLYN - The department will have to monitor and be responsible for the registration of breeders who breed cats. None of the other cats are registered; they are either desexed and microchipped or they are dead.

Mr MARTIN - Whose job is it to check that cats are microchipped?

[2.45 p.m.]

Mr LLEWELLYN - All of these other rangers.

Mr MARTIN - Good luck, I reckon you need a Department of Cat Control!

Laughing.

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Mr LLEWELLYN - Local government at the moment has a real problem in this area, as you know. Their cat and dog control people -

Mr MARTIN - There is no cat control at the moment, that is the problem.

Mr LLEWELLYN - They also take cats but they do not know what to do with them. In the future they will be able to check them to see if they have a microchip and if they are not microchipped they will euthanased.

Mr MARTIN - I am all for cat control but it is a huge financial responsibility for someone and local government is not resourced to do it. If you are serious about this, someone has to be given the job of doing it. Seriously, you are going to need a department of cat control.

Mr LLEWELLYN - I do not believe so. We have dog control at the moment.

Mr MARTIN - But local government is not prepared to do it, is it?

Mr LLEWELLYN - Local government is doing it.

Mr MARTIN - Not to the degree that you are talking about there. They are not going to go around and check that cats are microchipped.

Mr LLEWELLYN - That is not what the Local Government Association told us.

CHAIR - The TFGA and several farmers in the southern midlands area have expressed concerns about the Federal Government's position on lowland native grasslands. I am wondering where the State sits on that issue?

Mr LLEWELLYN - A full review of the conservation status of lowland Poa and Themeda grassland, that is kangaroo grass and silver tussock, and issues relating to their management and conservation was undertaken in 2007 by the department. This was in response to issues raised during the introduction of the new Threatened Native Vegetation Communities legislation in Parliament in late 2006. The lowland grassland review in 2008 was based on the best available data and knowledge of the distribution of lowland grasslands. It included improved TASVEG mapping, an accepted modelling technique at the time. The report is available on the department's web site. The review found that, for both lowland valley-bottom and lowland grassland communities of conservation significance, the data is consistent with meeting one of the more eligible criteria for listing under the Environment Protection and Biodiversity Conservation Act and the national JANIS criteria recognised under the Tasmanian Regional Forest Agreement. The review confirms that lowland valley-bottom grasslands have a high conservation status. The management is challenging. While there is a need to manage the risks of ongoing loss through clearance and conversion, regulation is unlikely to achieve, and cannot guarantee, long-term conservation outcomes. It can also potentially lead to some perverse outcomes for the vegetation communities. It is for that reason we have said that we have said that we think that since the Commonwealth Government has taken an interest in this in recent times it is better to continue the management of these communities that we have had in place for some time and not list them or, in other words, attack the issue with a big stick.

CHAIR - The basis for the farmers' doubts is that they say it is often impossible to tell whether the grasslands in question are naturally occurring or man-made as patches of low-land grasses are often introduced as a farm-management practice. So there are some grey areas in this whole thing.

Mr LLEWELLYN - That is very true and we put that point strongly to some people in this State and the university that the number of these communities has expanded quite a lot since we started cutting trees down, particularly in and around farm areas. If one is to apply the JANIS criteria to grasslands as one does for forestry - how much forest was here in the late 1700s as compared with what is here now - you would actually find that there is more. It has been recognised that the areas of sensitive communities are those that have not changed since the late 1700s. There were pockets of these species in existence during that time and some of them are pretty well known, but they are not the wide areas that were hitherto discussed as being original communities of threatened species.

All those factors I think need to be brought into the equation in the management of the grasslands. In the Midlands a lot of it has been managed very well by farmers because they utilise them for fine wool production as much as anything else.

Ms FORREST - Minister, the Auditor-General's special report number 78, Management of Threatened Species in March 2009, had some comments about the European red fox. I want to read a couple of excerpts from the Auditor-General's report and ask a couple of questions based around that.

This is from the report:

'If the European red fox becomes established in Tasmania the resulting impact on native wildlife and agriculture would be, according to experts, catastrophic. The RMC has assessed the impact of foxes on 24 native species as being either high or extreme. While clear and irrefutable evidence that foxes have become established is still disputed by some, RMC advises us that there is clear evidence of the presence of foxes. In 2007 the State Government allocated \$2.53 million over 10 years to eradicate foxes. They also secured additional funding from the Australian government matching the State's contribution.'

It then goes on to say:

That total funding for RMC in 2007-08 was \$22 million with \$12 million, or 54.5 per cent provided by the Australian Government. The winding back of some projects has led to the Australian government's 2008-09 contribution being decreased to \$6 million. The consequence of the combined Commonwealth-State funding arrangement was that the Tasmanian contribution tended to be focused on providing organisational infrastructure, including policy, procedures, information and advice, with the Commonwealth funds used in conservation projects. For instance, for 2008-09 two projects absorbed three-quarters of the funds. Fox eradication - 42 per cent. The devil facial tumour - 33 per cent.'

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Can you confirm whether the Auditor-General was correct in his calculations that the funding of the branch has become heavily reliant on obtaining ongoing funding for the fox eradication activities to the order of 42 per cent of its operating budget?

Mr LLEWELLYN - I can confirm that this is not only a State government responsibility it is a Commonwealth responsibility also. It is a very significant issue and we expect support from the Commonwealth level. So while the Auditor-General may make comments that we need a certain level of funding, that is possibly true, but to date we have been able to get the Commonwealth to meet its responsibilities. If the Commonwealth did not then we would have to reassess it on a priority basis from the Tasmanian perspective. I am not sure where the Auditor-General's comment on that is going.

Ms FORREST - Do not shoot the messenger here.

Mr LLEWELLYN - No.

Ms FORREST - Could you also provide the committee with a breakdown budget in staffing for the fox eradication program in the last 12 months - the projected budget for 2009-10, including salaries, vehicles and cost for baits?

Mr LLEWELLYN - We do not have a commitment, even at this stage, I do not think, from the Commonwealth Government in regard to fox funding. The State Government is providing \$12 million over the next four years, representing \$3 million a year to June 2012. Beyond that date, recurrent funding of \$1.75 million a year has been allocated. The Australian Government has committed \$10 million to the program over five years, that is 2008-2013, together with funding from the two Governments of \$23.75 million over the next five year, representing a significant commitment to combat the impact of the disease.

I have just given you the wrong information. I thought it was the fox one.

Mr MARTIN - I hope you don't mix it up because we are trying to save one and get rid of the other.

Laughter.

Mr LLEWELLYN - It has fox funding number 14 and it says 'devil funding'. I have the wrong one loaded on the computer. I am sorry about that.

The State Government continues to provide significant funding for the eradication of foxes. The Australian Government has also provided significant funding. In addition, the Invasive Animals Cooperative Research Centre provided \$70 000 per year towards the statewide scat monitoring survey. The funds available for fox eradication in 2008-09 were \$3.13 million from the State Government, \$2.53 million from the Australian Government and \$70 000 from the Invasive Animals CRC, totally \$5.73 million.

The funds are allocated to a range of activities that contribute towards fox eradication. In 2008-09, the proportion allocation of funds between activities was, operations, 41 per cent; monitoring and investigation, 33 per cent; research and development, 8 per cent; community engagement, 7 per cent; management including biosecurity, 11 per cent. An application for a further four years of funding from the Australian Government Caring for our Country program

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was spent in March 2009 to match the Government's expenditure and I am expecting a response to the application immanently.

Ms FORREST - You did not give me a complete breakdown, on percentages. Are the staff costs separate?

Mr LLEWELLYN - We can get it for you.

Ms FORREST - If you can provide that for us, perhaps the breakdown of the funding, where it sits? You have given us percentages of what goes where, but the actual funding for salary of staff?

Mr LLEWELLYN - We have briefings on foxes evidence, foxes funding, foxes progress, foxes staffing. Take your pick.

Ms FORREST - I think you have covered that but you have not provided a breakdown within the Budget.

Mr LLEWELLYN - The Public Accounts Committee has all of this information.

Ms FORREST - We will go into that later, we will not here. With the Government's decision not to renew the contracts - and it says here 20 contracts, I thought it was 15, but a number of contractors involved in the fox eradication program - could you indicate how the department will maintain the program's activities, based on the \$5.5 million annual funding?

Mr LLEWELLYN - As of 1 June, the fox eradication branch had 60 staff, 17 employed in permanent positions and 43 in fixed-term employment. The contracts of 15 fixed-term staff are concluding in June and July and these staff were employed on two-year contracts as part of an intake of field staff in June 2007. Two-year contracts were chosen at the time, firstly because there was uncertainty over ongoing funding for the program from the Australian Government and secondly, to ensure that the program remained flexible and able to change the mix of skills available as the fox eradication effort develops. The use of two-year contracts was also consistent with the two-year project plan developed at the time. The project plan had a program review schedule for the first half of 2009 which is now under way and it was expected that the review could point to the need to adapt the skills available within the program.

[3.00 p.m.]

Of the 15 staff completing their contracts in June and July, 12 are field officers, two are technical officers and there is one hunter liaison officer. The principal roles of these field officers are field activities associated with baiting and monitoring, technical officers, planning coordination of the statewide scat survey and the hunter liaison liaising with the hunting community, rural landowners and others. The staff will have been working with the fox eradication branch for the maximum two-year term available under current State Service employment directions so the contracts cannot be extended at their completion date.

A recruitment process has commenced for the field officer and technical officer positions that will be vacant. There are potentially three steps that need to be worked through for the recruitment process. Initially, the selection process will be open to permanent employees in DPI and DEPHA who may apply through an internal re-deployment and vacancy referral process. Applicants will need to meet a suitability assessment before recruitment. If the positions are not

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filled the next step will be to advertise the positions across the State Service in accordance with the Premier's State Service vacancy referral process. This means that the vacancies are available to permanent staff in other agencies. Again, staff will need to meet a suitability assessment. Finally, if these steps fails to recruit suitable staff, the positions will be advertised in the open job market. It is worth noting that 21 other field officer staff will remain with the fox eradication program on fixed term contracts beyond 30 June and this will enable field activities to be maintained. Some of these staff will complete two-year contracts in September with the balance completing two year contracts in February 2010.

Ms FORREST - The question is, Minister, can all this be achieved under current funding arrangements?

Mr LLEWELLYN - Well, we believe so but we still have not heard finally from the Commonwealth about their component. We are not expecting that we will not achieve that outcome but we cannot give a definitive answer until we actually have. Penny, you might like to add some more.

Ms WELLS - The State Government has taken the risk in re-employing those positions and we have made them relatively short term. They are one-year positions so that if the Australian Government funding is less than we have asked for then we will have to review that when and if that happens.

Mr MARTIN - To follow up the last answers, Minister you seem to have a problem with the Federal Government in terms of negotiating the funding. Is there a problem there?

Mr LLEWELLYN - Well, I think the Federal minister is slow. That is what it amounts to. He really should have decided the outcome. The money is coming from Caring for our Country and that involves a whole lot of allocation for money for a lot of people, not only the fox taskforce.

Mr MARTIN - So, is this holding up work?

Mr LLEWELLYN - Well, it will do if he doesn't soon - as Penny as indicated, we have sort of cash-flowed the situation.

Mr MARTIN - So, what is the fallback decision if the Federal Government does not agree to the funding?

Mr LLEWELLYN - Well, the fact that we have cash-flowed it for only one year and that we are going to have to reassess our priorities at the end of that, with our program.

Ms FORREST - Will you be lobbying the Federal minister to get that?

Mr LLEWELLYN - We have been and I do not think there is any reason to say that we are not going to get the money; it is just he has been - he is off over the world now talking about whales somewhere. It is probably sitting on his desk.

Ms FORREST - Back in 2002, Minister, when you were minister at the time then too, you made a comment in Parliament: 'We have certainly now discovered that there is a widely established fox population, even though very small.'

Mr LLEWELLYN - Yes.

Ms FORREST - So up to seven years of funding for the fox program in Tasmania, do you still hold the view that that is the case, that there is an established population?

Mr LLEWELLYN - Yes. We hold it more definitely than we did then. We now know that there are definitely at least eight foxes in the State because we have analysed the scat from some 45 separate items and found that they come from eight different foxes, seven of which were male and one of which was female. So there is a good gender balance there!

Ms FORREST - A bit like Parliament really, is it not? The next question was, have fox scats been brought into the State from the mainland?

Mr LLEWELLYN - There have been some with respect to training the dogs themselves, but in respect to some of the other scats that have been found, the contents of those scats have been analysed and found to contain Tasmanian endemic species.

Ms FORREST - When were those fox scats that were brought in for the training of the dogs brought in? Who brought them in and how many did they bring?

Ms WELLS - I do not have the specific details, but we can provide that. They were brought in under really strict protocols. They were tagged and then tagged in and out on the days they are used for training purposes, so they are pretty tightly controlled.

Ms FORREST - How are they stored, and where are they stored?

Mr LLEWELLYN - They have to get extradition orders, and those sorts of things.

Ms FORREST - They go through quarantine, do they? Are they stored securely? Whereabouts?

Ms WELLS - In Prospect, is my understanding.

Ms FORREST - Have they been brought in on more than one occasion, or do you bring the same scats out all the time?

Ms WELLS - I think we have to bring fresh ones in.

Ms FORREST - Is there any real evidence to show that the fox-baiting program has been successful?

Mr LLEWELLYN - I think by the fact that the numbers of foxes that we assume are still in the State is still only small, is a positive indication that our program is working. If we had not taken the action that we have, I am perhaps bold enough to say we may well have many more foxes than we have at the moment.

Ms FORREST - But you have not found a dead fox that has been poisoned by the 1080.

Mr LLEWELLYN - I do not believe so.

Ms FORREST - You base your judgment on the fact that there has not been a discernable increase in the population above a fairly small number at the moment.

Mr LLEWELLYN - Yes.

**Output group 4
Water resources**

4.1 Water resource management -

CHAIR - As a member of parliament, I have been asked several times over the past week or so about the capacity of the TIDB to compulsorily acquire land for irrigation development or purposes. Can you provide an update on the issue of that acquisition for land for the South Esk, perhaps, element of the Midlands Water Scheme. Could the government be exposed to any liability at this stage?

Mr LLEWELLYN - This is a matter that we are currently discussing or the Irrigation Development Board. I am going to be talking to the respective land owner who is involved in the matter tomorrow.

CHAIR - Tomorrow, yes, I am aware of that.

Mr LLEWELLYN - At this stage there was an order to treat on the owner of the property that was under sale at the time, but that is only the start of a process to negotiate. No decision about compulsorily acquiring the land has been decided at this stage. It is a matter of trying to discuss the issue with the farmer involved, or the parties involved. I do not think it is the intention of the Irrigation Development Board, or me as minister, to disadvantage the owners of the property, but we are looking to try to achieve what is in the best interests for a farmer group in the northern midlands area. We need to acquire a suitable site for an offstream dam of the size and capacity that will achieve that and we would want to do that without disaffecting or dislocating those people who were involved and I believe that with some discussion and negotiations we can do that. I can understand the initial reactions in regard to these issues but it is a matter I will be discussing tomorrow and I am sure we can at least -

CHAIR - You will give them a good hearing tomorrow?

Mr LLEWELLYN - Absolutely.

CHAIR - It is a matter that is of great concern to them and there is a considerable amount of money involved, as you know.

I support the Government's initiatives in this area with water development particularly and what is going on is covered probably ad nauseam in the media. Rather than going through each of the priority projects, could you table or provide to the committee a precis or an update of all the schemes?. I am particularly asking about the Midlands water scheme, Sassafras-Wesley Vale irrigation scheme, the Forth, the Meander Dam pipelines, the Shannon-Ouse-Clyde project, the north-east, the Winnaleah Irrigation Scheme, Headquarters Road, Meadstone, Upper Macquarie, Upper South Esk Dam, the two dams in the Coal Valley and Sorell.

Mr LLEWELLYN - I think the Upper South Esk is the same as the Meadstone.

CHAIR - Okay. Could that be provided to the committee?

Mr LLEWELLYN - The only ones that you have mentioned that really is not a scheme at this stage is Blythe and Forth but we will be discussing it with the farmers in the region. The farmers in the Blythe area and the Forth area were not part of the original 12 areas, but we believe we can value-add in those areas to the benefit of farmers. It may be that we do not need to put any public money into those areas because I think it is within the capacity of the farmers of the local region, with a bit of expertise and guidance and assistance, to achieve better outcomes from their own point of view.

Ms FORREST - Does the same apply to the Circular Head region? Bureau of Meteorology figures suggest that we get more rain west of Sassafras.

Mr LLEWELLYN - We have asked the Irrigation Development Board, together with Hydro Tasmania Consulting, to look at the possibility of further work in the north-west region on the Arthur River and also for the possibilities of transporting water from the Pieman river.

Ms FORREST - There is a nice pipeline corridor you could use there.

Mr LLEWELLYN - That is true.

Ms FORREST - It is an excellent spot for it. It is already there, well protected.

[3.15 p m]

Mr LLEWELLYN - Yes. We have initiated some further investigations about that issue because it is very important from an industrial development point of view as well as providing an extra resource for farmers in that region.

Ms FORREST - How far are we along?

Mr LLEWELLYN - Preliminary discussions at this stage with Hydro Tasmania and not much over that with the Irrigation Development Board. But in the future there will be some further work and development.

Ms FORREST - Are they talking to Grange Resources?

Mr LLEWELLYN - That is one of the reasons why I think that we need to look at that. The Irrigation Development Board and Hydro Tasmania are well aware of the needs there.

CHAIR - Sorry, I just missed a little of that.

Ms FORREST - I was talking about west of your patch into my patch.

CHAIR - Beyond Sassafras.

Mr LLEWELLYN - But if you are talking Grange Resources you would not be putting water into Grange wine.

Laughter.

Ms FORREST - No, but there is a pipeline corridor there. And they are willing to share at a cost. There is a nice little corridor there.

Mr LLEWELLYN - I am being silly.

CHAIR - Even in the member's electorate in Circular Head, if you talk to farmers in Togari whether it is climate change or whatever it is, rainfall seems to have dropped off quite bit.

Ms FORREST - There is also evidence to suggest that even though they do get a better rainfall in some parts of the State their productivity could be improved with more water.

CHAIR - Exactly. That is the point that I was about to get to.

Ms FORREST - I am looking for the criteria that are set in determining where are the most appropriate future plans here. It is all well and good to pipe water to a part of the State that maybe able to change what they do, and we instance the Houston lettuce farm as one case in point, but we should also be looking at - and I am not sure that it has been looked at to any great degree - the value adding that you can have by increasing the water in an already water rich part of the State.

Mr LLEWELLYN - That is perfectly okay and it is certainly something that we can analyse as part of the original water development plan between 1998-2002. We did quite a bit of work on the Arthur River and other areas down the north-west. So there is that work that is there as base work that we can add to now. But the waterway in the State that produces the most water that just goes out to sea is the Pieman river by far. It is about three times the volume of any other in this State.

Ms FORREST - A beautiful river it is, too. Has any risk assessment been undertaken on the proposal to pipe water to the Midlands?

Mr LLEWELLYN - I mentioned that all of the schemes have to go through a process. The process is that there is a feasibility study, then it gets to a stage through the infrastructure committee of Cabinet where the preferred option is agreed. Then that preferred option is made public and the next stage of that is to look at the take up of water and those issues, all on the basis of economic viability, social acceptability and environmental sustainability - those three things. So all the risk aspects are taken into account through that bottom-line approach. Once we have got all the figures and the business plan the project is then present again to the Infrastructure Committee and endorsed. It is only then that you would move to the development stage.

CHAIR - With regard to groundwater, we had some amendments to the Water Management Act a while back. With regard to groundwater what is the progress of the monitoring and licensing or the potential licensing with groundwater? It is a concern in many areas of the State, as the minister knows. When you look at other jurisdictions like New Zealand where they have, on the South Island on the Canterbury Plain, huge flows - unfortunately we do not have those - but even there to be able to sink a bore hole they almost have to go through a tribunal process. I think that quite a lot of landowners in this State are concerned that existing bores are a finite resource and it does need very careful management.

Mr LLEWELLYN - I think what you have said is correct and the Government is continuing to allocate significant resources to ground water management. The next two years, at least, the resources we are putting in will be boosted by significant from the Australian Government. Historically, groundwater has been seen as an underground source to be mined rather than actively managed and, as a result, management arrangements for ground water have lagged behind those of surface water. This also reflects the general healthy state of Tasmania's ground water because people have not, until recently, needed to look at the groundwater area issue so much. In most areas in the State, groundwater use is at low level and well within sustainable limits, so we are fortunate to that extent.

CHAIR - Except probably the Wesley Vale area where there have been some issues there.

Mr LLEWELLYN - Yes. However, in some areas groundwater use has increased significantly over recent years in response to reduced availability of surface water. Groundwater systems will provide a major proportion of the base flows in many rivers. So the careful management of groundwater development is essential to ensure the surface water resources are not put at risk.

CHAIR - Minister, has the department a handle on where all the existing bores are at the moment and what the capacities are? That is something that seems to be missing in this whole equation.

Dr HARRADINE - The simple answer is no. Since 1985 there has been a legislative requirement for anyone sinking a bore to provide details of the bore to the then Department of Mines and more recently to our agency. But that has not always been 100 per cent.

CHAIR - That has usually been done by the driller, by the Spauldings of this world, hasn't it, by the driller but not by the farmers, as I understand it?

Dr HARRADINE - It was the driller that was required to send that information in. It has not always been seen or policed. But there are details of several thousand bores in the State. But certainly, we cannot say that we know where every bore is. Part of the recent changes address that issue insofar as, now every groundwater driller in the State has to be licensed and a condition about licence is that they must send those returns in. What we have done is make sure we have drawn a line in the sand and from now on we will know where those bores are. Then, as we do ground management plans, one of the key things we need to do is to do a ground survey of bores that are still in use.

CHAIR - There are not too many drilling rigs in the State. Is there any chance of getting some retrospectivity into this and getting some of those bores that were drilled and maybe when they we logged, they might not have been sent through the department. But there are not too many of them around. I would have thought the data would have been able to be collated.

Dr HARRADINE - This very week we have started doing that in the Wesley Vale-Sassafras area. We are starting to the development of a water management plan for that area and groundwater is a key part of that plan and we have been talking to groundwater users even over the last few days. One of the key things we do need to do is to ground-truth a lot of our information against the bores because even where a bore is drilled and the information was sent into, historically, there is nothing to let us know whether that bore is still actively used or whether it has dried up. So one of the first things that we will need to do is to locate the bores and then

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meter the takes for the higher usage bore so that we get not only an idea of where the bores are, but what the current level of usage is.

CHAIR - Dr Harradine, are you satisfied that there are sufficient resources within the water management branch to ensure compliance with licence conditions by irrigators. As we know, there are, unfortunately, some people out there who flout the rules every now and again and it causes all sorts of neighbourhood disputes and almost wars; and it is a serious matter and it is something that has become very frustrating.

Mr LLEWELLYN - I think you are right. There has been a bit of water poaching.

CHAIR - It happens all over Australia, does it not?

Mr LLEWELLYN - Yes. We are doing our best, and with the development of water management plans, water districts, local management and appropriate emphasis on equipping people - and we can do that with water rangers - we will be able to manage it.

CHAIR - I expect that when the Meander pipelines are rolled out and the irrigation districts are declared, we will put some more regulation into those areas and tighten things up a bit?

Dr HARRADINE - Yes, We would work with the operator of that scheme, at the moment it is Tasmanian Irrigation Schemes, and it would take over the compliance issues of all water use in that area and all users would be required to be metered. It would maintain a strict compliance program of those users because its revenue depends on people purchasing the water they use. Hence, it is much easier to ensure compliance in those areas where you have much more leverage because if people do the wrong thing they do not get their water out of the pipeline. It is a bit easier than taking water out of a natural watercourse where you do not have any real control over what it is in the river and you have to control everyone individually.

CHAIR - Although in some cases the water will come out from the pipelines and drop into natural watercourses, so there will be some issues there.

Dr HARRADINE - That is exactly the same as the Meander River with the current dam. It is a matter of managing what is in the river and the way that that is done is the Tasmanian Irrigation Scheme is required, under its licence, to let a certain amount of water, being the environmental requirement of downstream users, out of the end of the district. Within the district it manages the water resources from what comes in and what it lets out of the dam to meet its licence conditions. Under those circumstances the same thing happens. It is much easier to manage in those circumstances because you can get a much better handle on what people are using.

CHAIR - Could I suggest that irrigators who are paying the \$1 100 megalitre for their water and an annual fee of between \$60 and \$70 are going to watch their neighbours who have not purchased water very closely

Dr HARRADINE - That helps a lot, too.

Mr LLEWELLYN -, I can recall a couple of weeks ago signing certificates that made two members of the Elizabeth Macquarie Trust - an old established trust in the Northern Midlands -

water rangers. They will be responsible for being able to access meters, checking on things and so on.

CHAIR - I know the member for Murchison might be having some difficulty getting rid of the minerals from her electorate at the moment with the economic downturn, but one thing she has plenty of is water. Have you been talking to people on the mainland about potentially piping water from Tasmania?

Mr LLEWELLYN - Yes. From time-to-time people have approached me about this, and my answer has been the same: we need to develop the water for Tasmanians first before we give it to anyone else.

CHAIR - Are there many people who are interested?

Mr LLEWELLYN - I think it is a couple of companies we have known about for some time.

Ms FORREST - Minister, with the cuts to the department under the Government's budget management strategy and almost a \$1 million reduction from last year's to this year's forward Estimates, will dam permit time frames and efficiencies be adversely impacted? Can you guarantee that they will not be?

Mr LLEWELLYN - No, I do not believe so. I think we have now caught up a fair bit from where we were a couple of years ago. We've had officers doing all sorts of other things. A lot of the environmental and Aboriginal heritage issues and so on had to be worked through at that stage. The staffing and effort in this area will be maintained as a priority within the agency.

Ms FORREST - So that is considered a priority area?

Mr LLEWELLYN - Yes.

Ms FORREST - Does that same statement relate to the employment and location of the water rangers. In the Circular Head area, when we were experiencing the drought, there were a lot of problems between farmers. Can you assure me that there will be no cuts in those areas, where it is really important to see people out there?

Mr LLEWELLYN - I do not believe so, no.

The committee suspended from 3.32 p.m. to 3.54 p.m.

Output group 5 Policy

5.1 Policy advice -

Mr MARTIN - With budget cuts over the next few years about \$300 000 down, given the stated intention of the Government to explore mechanisms for transforming Tasmania into the food bowl, and a road and conversation issues, I wonder how you are going to achieve that with the cut back in this area.

Mr LLEWELLYN - Earlier on in the Estimates we talked on the overall about the amalgamation of DEPHA and DPIW and the changes that are happening within the policy unit and also the compressing of both those agencies into one. Together with all the other changes within water and so on, I think it is a whole of agency rearrangement which in the policy area, will maintain good policy direction both for me and for Michelle. That is the objective even though we have transferred some services from DPIW to TIAR. The policy aspects of primary industry will still be encompassed, as will the policy items in regard to the other part of the agency.

Mr MARTIN - But basically, there is a whole lot of added work, added areas, reduced funding and reduced resources for that.

Mr LLEWELLYN - But there is the improvement in productivity through bringing the two organisations together, the administration of people within the policy area and there will be some savings of money, otherwise we would not have had that exercise of bringing the agencies together but I do not think it is going to diminish, hopefully, the policy advice to me or to my colleague minister. The secretary can answer that a little more if you like.

Mr EVANS - This policy output and the policy function within DEPHA, which is in their office of the secretary, not only includes policy advice but it also includes a whole range of coordination activities that are related to things such as FOI and the legislative program and there will be efficiencies in bringing those common functions together. We are hopeful of making some savings in terms of those areas but we do recognise that there will be a need for specialist policy advice, particularly in relation to agricultural policy. We will have to provide advice in regard to the innovations strategy, various programs to maximise the use of water, the ongoing drought, as examples.

Mr MARTIN - Does that come out of this line item?

Mr EVANS - No but I am talking about policy function in the new agency so we will have a special policy group that will accommodate that agricultural policy and we will have a special policy group that deals with all of the natural resources issues, including the specific projects that are covered under this particular output; things such as, under this output, the cat management framework, climate change, coordination of major projects. They will continue in the natural resources policy group in the new agency.

[4 00 p.m.]

CHAIR - In regard to policy, given that we now have our extended GM moratorium for another five years, the question is will the department provide any additional resources to evaluate the effects of that moratorium so that when we get to 2014 we know whether or not we are advantaged or disadvantaged, whichever way the pendulum swings.

Ms FORREST - With regard to the PAL policy, can you tell us where we are at with that as far as the interim policy becoming the permanent policy, for want of a better word?

Mr LLEWELLYN - It is really not a Primary Industry function. It is Planning, and we will be dealing with that in a moment or two.

Ms FORREST - You want it under Planning?

Mr LLEWELLYN - Yes.

Ms FORREST - That is fine. Given the State Government's support for the conversion of farmland to plantation, as evidenced by the submission to the review of taxation of plantation forestry in August 2005, has the Government reviewed its view in light of the appalling performance of some MIS companies recently, and given consideration to return the State land use policies to the use of high-value crops rather than forestry plantations on some of these good soils where water occurs naturally, rather than planting low value crops, in some places making losses, and instead divert water to the areas that can have maximum productivity on the good land that we have in certain areas of the State?

Mr LLEWELLYN - There has been no overall government policy change in regard to that at the moment, although we have observed the collapse of a couple of the MIS major players. I suppose a lot of that is to do with the global financial crisis but going on the other week's *Four Corners* program with regard to MIS schemes, there is a little bit more in it than just -

Ms FORREST - It is not just the global financial crisis that has caused this, it is much more than that.

Mr LLEWELLYN - No. On the question of the alienation of land which I suppose is a Planning matter, but in general terms, there is only a very small area of class 3 land that is being alienated with forest plantations and that is mainly because for the value of the land when applied for forest plantations the economic outcomes are not obtainable so they cannot afford to purchase that type of land for that particular reason. There has been a small amount, and I think we had a report some year or so ago.

The PAL policy, which you will ask a question about when we get to Planning, was designed to try to reduce the amount of alienation of land for high-value crops. That is the specific purpose of it.

Output group 6 Biosecurity and product integrity

6.1 Biosecurity -

Mr LLEWELLYN - The issue of the GMOs?

CHAIR - Yes, evaluation. Somebody is going to have to evaluate before we get to doing it all again, so there would be a cost to that evaluation - and the forward Estimates only go to 2012-13.

Mr LLEWELLYN - Yes. All I can say is in its more detailed response to the committee's finding, the Government prepared an updated policy statement reaffirming its ongoing commitment to the GMO-free status. A statement issued in November 2008 outlines key activities along with principles intended to guide the conduct of those activities so that the policy object of positioning Tasmania in the global market as it appear to have generally GMO-free product is met. As a result of the current economic situation, certain activities may not be able to be implemented to the extent or as quickly as initially envisaged.

The department is currently examining options for reallocation of resources to ensure protection from GMO introduction as contaminants and ongoing GMO eradication from former GM canola trials and other affected sites are maintained at the highest standards. There are early promising signs in regard to that. We have initiated discussions with some companies here in Tasmania with a view of examining how government might practically assist the national grains industry. As recently indicated, in the next season it intends to implement a standard of canola grain that is unsegregated. This standard allows a mixture of GM and non-GM grain. Buyers interested in non-GM products will need to pay extra for the cost of segregation. This will affect Tasmanian grain growers. Nevertheless, we continue to prohibit the exportation of GMOs, impose GM tests and continue to manage the eradication.

We will be taking those other recommendations up along the lines that you have just mentioned, to see what we can do in regard to the monitoring because I think it was an important element, as you know, of the committee's report that we do that in a timely way, so that we are able to make those assessments.

CHAIR - As long as those resource is there, I suppose, that there is an allocation there?

Mr LLEWELLYN - Yes.

CHAIR - On biosecurity, you talked about grain and we import, I think, a couple of hundred thousand tons of feed grain into the State each year. We did, as you remember, have a dispute on the committee about the tolerance levels, if you recall, Minister. We are still on this 0.01 per cent with regard to grain being allowed into the State, whereas the rest of Australia is 0.9 of 1 per cent and, indeed, Japan, as we heard, was 5 per cent. They will accept 5 per cent and they will still call it GM-free. I suppose the question is now, that I think South Australia is the only State of the Commonwealth, apart from us, who do not have some pretty extensive plantings because Western Australia and New South Wales have changed their policies. That is going to put more pressure on our biosecurity and costs on our producers to import that grain, one would expect. Are you still confident that you can get grain in and you have the capacity to detect down to 0.01 per cent of GM? It is going to make it more difficult, one would suggest.

Mr LLEWELLYN - Yes, and I agree.

CHAIR - Given the budget constraints and everything else?

Mr LLEWELLYN - Yes, and the verification issues are important but we believe we can. There are new processes that I think we can adopt and through different testing regimes detect lower levels of GM contamination and the like.

Mr SCHAAP - I guess there are a couple of misnomers in the premise to the question that need to be corrected. Firstly, the Tasmanian policy position is zero tolerance, not 0.01 and as evidence of zero contamination; we will accept the test that has a 95 per cent probability of detecting a 0.01 level of contamination. But no contamination detected by that test is acceptable at all. It is quite different from the measures taken elsewhere. Secondly, the buyers who are attracted to that produce are not governments per se. So quotation of government decisions with respect to the level of tolerance provided really is not terribly relevant. What is relevant is what the particular buyers demand. It is the buyers who are buying Tasmanian GM-free canola who expect zero contamination, absolutely none. The only other providers of that at the moment are some growers on Kangaroo Island and Prince Edward Island in Canada. Our focus at the moment

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has been on trying to ensure that the opportunities created by that demand are realised here in Tasmania and that means getting hold of genuinely GM-free seed, cultivating that seed here in Tasmania and potentially supplying the seed market for the rest of the world, particularly Europe. That is where our attention has been for the moment.

With the decision on the mainland to expand GM production and renege on earlier commitments to maintain GM segregation, it will now be much more difficult on the mainland for consumers to source GM-free product because production of GM-free product on the mainland will now be much more expensive than it used to be before because it will be the producers and consequently the consumers of that product who have to bear the full cost of segregation. The opportunities in the marketplace for Tasmania should grow. The downside of all that is that, as you mentioned earlier, the import of grain into Tasmania presents a biosecurity risk and that is one that we are focussing on managing in the medium term. That may mean that we need to introduce additional requirements with respect to the import of feed grain. We may need to, for example, include a requirement that it be cleaned and free of brassica seeds such as canola.

CHAIR - Without getting into an argument about this, Minister, I have heard that several of the large seed exporters on the mainland are saying that it is all too hard for Tasmania. It is going to limit our market in terms of grain coming in. I think Mr Schaap illustrated those couple of suppliers out of South Australia. Whether or not we can supply Europe - I was recently in Europe and I passed mile after mile of GM canola growing everywhere - down through France and Belgium. We will wait and see. All will be revealed in the fullness of time.

Mr LLEWELLYN - Absolutely.

Ms FORREST - Will the Government's budget management strategy adversely impact on the department's capacity to conduct water testing in a timely and efficient manner?

Mr LLEWELLYN - I do not believe so. We currently monitor some 55 sites for 19 pesticides; that includes monitoring during flood events at Esperance, Little Swanport, George and the Duck rivers. You mentioned that earlier on. With the Duck River and the recent contamination of MCPA found in the river, we are trying to devise ways that will allow dairy farmers in that area to continue to use MCPA for broad-leaf weed eradication and, at the same time, try to minimise the amount of that chemicals that finds its way into the Duck River. As you said in that case, no town water is drawn off the Duck River, although there are oyster farms in the bay downstream. We want to try to minimise things. Even with those levels, which are the first that have exceeded World Health Organisation levels, it has occurred there on only that one occasion.

Ms FORREST - Only one occasion?

Mr LLEWELLYN - I think it was more than one occasion. There was a cooperative response from the farmers up there, we hope, anyway.

[4.15 p.m.]

Ms FORREST - Can you provide the data for all the testing over the last year in relation to the pesticides that were tested for.

Mr LLEWELLYN - It is on the web site.

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Mr SCHAAP - There is a total for each river so you can look up the results for the Duck River. You will need to look at both the routine monitoring and the flood monitoring.

Ms FORREST - Some evidence that I have about the flood monitoring and regular monitoring of the Duck River is that it is probably the worst as far as MCPA is concerned. Does the data that you provide on the web site include the levels that it is detected at?

Mr SCHAAP - Yes.

Ms FORREST - Doesn't that concern you?

Mr LLEWELLYN - Yes it does and that is why we have taken action to try to work with the dairy farmers in the Duck River region.

Ms FORREST - When you say that you are taking action what are you actually doing? It is okay to say that we need to do something about it but.

Mr SCHAAP - The situation on the Duck is that we have had chronic contamination with MCPA for a couple of years and with each of those detections we sought to identify the specific source. On the Duck that has been particularly difficult because there are some 200 properties immediately adjacent to the stream and its tributaries and each of those is a potential and probable user of MCPA. What we have tried to do is to deal with those farmers who we have felt most likely to be significant contributors to the MCPA load and try to get them to change their practice. Recent results, including some that we got yesterday, suggest that really has not been effective, we are still getting contamination and during these flood events we are getting much higher contamination than we have seen previously.

We have asked the TFAG to take a lead in bringing the farmers in that catchment together and working with them to follow best practice guidelines for the use of MCPA. We have made it clear to both the industry representative bodies such as the TFGA, Dairy Council and Dairy Tasmania, as well as the farmers in the catchment themselves, that if that initiative from the TFGA does not get through, we will have to use the somewhat more blunt instrument of making specific regulatory provision for the Duck River itself. That might include restrictions on the manner in which, and the timing by which, MCPA is used. It might include provisions with respect to buffers around the banks of the river et cetera. I guess there is a real incentive for land holders to pull together and figure out a way for improving their practice.

Ms FORREST - What is the time frame for that before you bring in the blunt instrument?

Mr SCHAAP - The proof of the pudding will be in how our next rainy season reacts.

Ms FORREST - It could be today if it is raining up there as it is down here.

Mr SCHAAP - We had further detections with the test results we got from earlier this month which we received yesterday. There is still ongoing contamination and it may be that they really need to bite the bullet and agree that MCPA is something that can only be used seasonally in that catchment.

Ms FORREST - Is it an issue of how much they use, as much as the timing of the use?

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Mr SCHAAP - It is all of the above. It is how much they use, when they use it, the sort of land they use it on, the manner in which they use it and the extraordinarily high dependence that those landholders place upon it.

Ms FORREST - Are there alternatives?

Mr SCHAAP - There are alternative land management practices. What MCPA offers that other practices don't is that it is the cheapest and most effective vehicle available to them and that is why it is so popular with that broad cross section of landholders. But the issue with the Duck River is that it is a very heavily developed catchment. The Duck, as a consequence, suffers a number of problems and MCPA contamination is but one of them.

Ms FORREST - What other problems are there with it?

Mr SCHAAP - We have problems with the nutrient discharge, effluent discharge, water quality issues generally and there are a range of processes in place currently to address those in terms of nutrient concentrations, that is largely about fertiliser application. TIAR is working with local groups including Dairy Tasmania in the process of educating landholders about more effective use of fertilisers. The Tasmanian Dairy Industry Authority is working up a proposal for a code of practice in regard to dairy effluent management which should see the amount of dairy effluent reaching the Duck River dramatically reduced.

A combination of all those matters should see water quality in the Duck improve significantly but it will not occur in the short term, it will be something that we need to look to the medium term to see the results of but if next winter/spring does not see an improvement in the MCPA results then a regulatory option will need to be further considered.

CHAIR - One unfortunate consequence, I suppose, of NRM initiatives whereby farmers have fenced off a lot of water courses and in doing so have allowed weed corridors to build up. How do you deal with that? It becomes a difficult issue for the landowner, to either spray or not to spray, and I understand you have to try to keep right away from the water course but it is very difficult to contain. You create another problem with weeds and that has happened with heaps of water courses, so one thing leads to another.

Ms FORREST - The development of the agricultural spraying regulations which may well fit into this; can we have an update on where we are at with that?

Mr LLEWELLYN - We have had another look at the regulations and we are fairly close at the moment to finalising a paper with respect to those regulations for both aerial spraying and ground spraying.

Ms FORREST - Are they going to consult before they come to -

Mr LLEWELLYN - They have had a lot of consultation with a lot of the stakeholders and the consultations are continuing even as we speak.

Ms FORREST - Are you going to produce a draft set of regulations to go out?

Mr LLEWELLYN - Yes. We have had the draft set of regulations.

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Ms FORREST - The first draft?

Mr LLEWELLYN - We have had draft sets of regulations and we will be putting it out again as I understand.

Ms FORREST - The draft that has been amended from the last round of consultation, where there were a number of issues identified and a pretty swift withdrawal from the position as originally stated, the new regulations that are out for consultation now reflect those concerns?

Mr LLEWELLYN - Yes, that is right, they will. What happened initially was that this time last year we were about to announce regulations such as aerial spraying and the question I asked was: that is aerial spraying but what about ground spraying? I said, I think, it would be better for us to address both aerial and ground spraying at the one time but when those drafts were exposed to the public there was quite a reaction. From one side of the public it was not enough; from the other side of the public -

Ms FORREST - It was too much.

Mr LLEWELLYN - Far too much so we have been through a series of discussions with various stakeholders ever since and we are approaching the point where we can put out another set of regulations for perusal.

CHAIR - When do you expect the regulations to be completed?

Mr LLEWELLYN - Next month maybe or something like that.

Ms FORREST - Out for consultation?

Mr LLEWELLYN - Yes.

Ms FORREST - They will not come to the Subordinate Legislation Committee just yet?

Mr LLEWELLYN - We will enable you to do an efficient job and not be burdened buy a whole lot of lobbyists.

Ms FORREST - I am interested on what work is being done in the area of quarantine, not just in the port of Burnie but also at Webb Dock because this is an area where foxes can breach our border security.

Mr LLEWELLYN - There is at least one fox, if not more, that has come into Tasmania via the Burnie port.

Ms FORREST - With suitcase in hand.

Mr LLEWELLYN - We are still getting quite a lot of excellent sightings in that part of the State.

Ms FORREST - Excellent in the sense of the word 'reliable'?

Mr LLEWELLYN - Also scats. I think that is the area where the female fox is.

Mr SCHAAP - We have a few individuals on the north-west coast.

Mr LLEWELLYN - It is a problem. We have been in touch with primary industries and others in Victoria in the past to express to them the importance of deal with the urban fox populations that are around Webb Dock and other areas where most of the freighting comes from into Tasmania. We are restricted on how much we can do there because we do not have much control over what happens on the mainland.

Mr SCHAAP - We have been over there again a couple of weeks ago. There has been a formal risk assessment undertaken to look at the pathways for the introduction of foxes and the most dangerous pathway involved intentional introduction, that is, smuggled foxes. Our assessment is that accidental introduction through incorporation in cargo on a vessel is not a very high risk, but there is certainly a risk with introduction particularly from Victoria and Webb Dock. We have had staff visiting Webb Dock on a regular basis and the purpose of that exercise was initially to provide a whole bunch of very large signs to remind transport operators, ships' crews and stevedores about the need to maintain security and report any fox sightings within the grounds. Since then we have regularly gone over there and provided training sessions for transport operators, stevedores and ships' crews and distributed information. We have looked at operating traps on the cargo vessels that frequent the Bass Strait run but the assessment from the experts is that that traps are unlikely to be successful in that environment, so we have not persisted with that. We think that the cost-effective measures that can be taken to manage that have been taken in accordance with the risk assessment's conclusions.

CHAIR - I think we will move to table 11.23. We went through the agricultural research centres, Minister, although there is quite a drop-off back to \$500 000. I think you talked about the reason and the work you are doing with TIAR in that respect. That is basically the reason for that, I take it?

Mr LLEWELLYN - Yes.

[4.30 p.m.]

Ms FORREST - Last year, \$80 million was set aside for the water infrastructure fund administered within your department. It appears that amounts are paid as equity contributions of Rivers and Water Supply Commission and a subsidiary of the Tasmanian Irrigation Development Board, and it appears to be a below-the-line equity contribution to the State-owned company. Last year it was budgeted to spend \$5 million, taking the water infrastructure fund to a balance of \$75 million. This year, the opening balance of the water infrastructure fund is \$63.337 million, That is Table 11.22 that we are looking at now. Can you explain the \$17 million difference in the opening balance of this year and where the money went?

Mr LLEWELLYN - We have not got to the end of the financial year with the expenditure in that area yet. There has been quite a bit of money spent in providing emergency pipelines, although a lot of that money is going to be recovered from the farmers involved, but that will come initially out of that area.

Mr EVANS - Can I add that, the only role that my agency plays is to provide that funding into the Rivers and Water Supply Commission and then on to the TIDB. The commission is a GBE, as you know, and it will be open to scrutiny separately. So the answer to the question that you are asking could be provided later in the year as part of the scrutiny process for the GBEs.

Mr LLEWELLYN - Under the Rivers and Water Supply Commission.

Ms FORREST - So you cannot explain why there is such a huge difference in the closing balance from last year to the opening balance of this year. There is no explanation there of how the money was spent and what has happened.

Mr LLEWELLYN - There has been quite a lot of work that has occurred during that -

Ms FORREST - There is no explanation in the budget papers to describe what has happened.

Mr LLEWELLYN - No, because we are only a post box.

Ms FORREST - It is also interesting to note that the Australian Government put in \$140 million. That appears in the major industries section, but it does not actually appear in the Australian grants section.

Mr EVANS - The reason for that is because we are still in the process of negotiating a bilateral agreement with the Federal Government for those funds, so because we have not finalised that agreement, we did not have the confidence to put them into the budget papers. Those negotiations are fairly well advanced, and there should not be any issues.

Ms FORREST - Where will that money go then, assuming that it does come through?

Mr EVANS - I would expect that under the new COAG arrangements, those funds will go to Treasury and be dispersed to my agency and then on to the commission in the normal way,

Mr LLEWELLYN - There was an arrangement with the Commonwealth Government, it was a promise that it gave following the last election. They were going to disperse that money over the period of government in three payments over the three years, but given the global financial crisis and all of the other rearrangements, I am not sure whether it is going to happen in that way. But the promise and the certainty is that the money is available for Tasmania; it is just a matter of working out the details.

CHAIR - Regarding the Federal component of that funding, as we have seen, the Macquarie group of irrigators has put in its own pipeline, and has delivered water at \$550 a megalitre compared with \$1 100. So if there are other groups of private consortiums who say, 'Okay, we'll get in and do that', and I think the Government and the IDB have said, 'We'll assist them if they want to do that', may there not be the total call on some of those Federal monies?

Mr LLEWELLYN - Yes, providing that their own local arrangements are not such that through a local consortium of four or five people they do not then prevent a bigger group of people of 20 or 30 from achieving an outcome in their own right. We would assist them -

CHAIR - Yes, I understand that.

Mr LLEWELLYN - In regard to the Macquarie settlement group, it took a lot of convincing from a government point of view. I remember meeting with them myself on at least two occasions up there for them to go it alone because we were recommending that they could do that better with their own financial inputs rather than have public funding in the program. It was a

little disconcerting to hear some of them afterwards say, 'Hey, we can do it better than the Government' when the Government convinced them to do it that particular way.

DIVISION 5

(Department of Infrastructure, Energy and Resources)

Output group 2

Energy advisory and regulatory services

2.1 Energy policy and advice -

CHAIR - I have no doubt you are well aware of this matter - the significant increases in power charges through Aurora to the domestic sector and the commercial sector. I think it is about 5 per cent to households and about 15 per cent or more to the commercial sector. If you are wearing your Primary Industries hat, it has increased over the last three years; irrigators in particular had a 40 per cent increase, which seems horrendous. I know that has gone past the Energy Regulator but why is it an increase of that magnitude?

Mr LLEWELLYN - There are a number of reasons and obviously those reasons are independently assessed and government is largely not involved with that process. We have had resets previously in this respect to Aurora so there is some expectation coming along with that. There has also been a recent reset with regard to Transend, which is now reflected in the pricing structure arrangements. We have the long-term issues with Aurora of reliability and costs of maintaining a reliable service into the future. The Tasmanian Energy Regulator sets the maximum electricity prices for non-contestable customers through a retail price determination. The Regulator issued a retail price determination in October 2007, covering the period 2008, 1 January through to 30 June 2010. The average electricity price increase from 1 July 2008 for residential customers was 4 per cent, following an increase of around 15 per cent in January 2008. The Regulator has recently improved Aurora's proposal to increase residential customer's prices for the 2009-10 financial year by an average of 7.2 per cent and business customer's prices by an average of 15 per cent. This is substantially above the average increase in residential prices, 4 per cent but the Regulator stated that he expected it for 2009-10 when he made that determination in 2007.

The energy price component of electricity tariffs comprise around 40 per cent of the total price. The process for setting the energy price for non-contestable customers in the most recently determination included a submission by Hydro Tasmania, a review by an independent expert which was overseen by the Regulator and then consultations with Aurora Energy. The price was set by the Treasurer and incorporated in amendments to the electricity supply industry price control regulations. The increase in the energy price account for just under half the average increase in electricity prices on 1 January 2008 and also on 1 July 2008.

I have to say to you that I do not want to try to ignore the questions that you asked. But this is not my responsibility; it is the responsibility of the Treasurer. I do not know whether you will an opportunity to question the Treasurer about this. But he has the responsibility for energy pricing, not me as Minister for Energy.

Mr MARTIN - You are the Minister responsible for Aurora, though?

CHAIR - Yes, that is right, as a stakeholder minister.

Mr LLEWELLYN - That is true, but I am talking about overall pricing of energy. The Treasurer still has that role or function under what ever the act is.

CHAIR - Okay. So we found a scapegoat there somewhere.

Mr WILKINSON - Are you able to answer the question though, whether there has ever been an increase both for domestic and commercial in recent times of the magnitude of this?

Mr LLEWELLYN - They are significant increases, there is no doubt about that and the only thing I can offer to that is that, if you look at it on an interstate basis, the electricity price rise in Tasmania is by no means high in comparison with those other States and Territories. Aurora's July 2009 price increases are lower than those flagged interstate. In Western Australia, for instance, rises totalling more than 50 per cent were recommended over the next two financial years and rises in Queensland are 15.7 per cent; the Northern Territory have 18 per cent; and New South Wales, between 17.9 per cent and 21.7 per cent. These are the actual prices that relate to those business customers where the 15 per cent is here in this State. So there is no getting away from the fact that -

Mr WILKINSON - I thought you were going to say 'no excuses'.

Mr LLEWELLYN - prices have risen and, unfortunately, it was the issue of the carbon pollution reduction scheme and those type of issues in the future, so we will see additional increases in electricity prices. Hopefully we can keep them in Tasmania to as low as we possibly can. But that is what will happen the world over.

Ms FORREST - With our renewable energy, that should be a reasonable expectation I would have thought.

Mr LLEWELLYN - If we can maximise our use of renewable energies. But one thing is that we do not really get credit for the amount of renewable energy that we currently have. That is a perverse situation for Tasmania. We have argued with the Commonwealth and others in ways that we could get some recognition for that renewable energy that we have been operating on for so long from a Hydro point of view. There are some mechanisms there that people are looking at. Maybe issues of transmission and services and construction of those things. But that is for the future, as it were.

[4.45 p.m.]

Mr WILKINSON - Who do pensioners and battlers go to, to get some good advice as to how best to cope in this situation because they are the ones who are really are going to struggle?

Mr LLEWELLYN - Aurora do a good job in regard to providing that sort of support. There is also a joint arrangement between Aurora and Anglicare for financial advice and counselling arrangements in regard to people who find themselves in difficulty over payment of Aurora bills.

Ms FORREST - Some of that advice has been to look at having the Pay As You Go option because that way you avoid having the massive quarterly bill coming in but we know that those people have paid more per kilowatt hour for their power but we are now seeing these customers being hit with an even greater cost. Aurora allegedly put it down to the cost of the technology associated with that. The issue here is that system of pricing is not regulated whereas your

UNCORRECTED PROOF ISSUE

quarterly bill price is regulated. Is this something that the Government will look at - regulating the pricing of those meters?

Mr LLEWELLYN - It is a market issue and one that Aurora needs to look at and maybe even relook at. Because on the surface

Ms FORREST - But can't you, as minister, suggest that be regulated? Surely that is your role?

Mr LLEWELLYN - The regulator has no role in this. A regulator will not regulate the Pay As You Go meter arrangements and the prices associated with them because the people involved, those people who have those meters, have been told by Aurora, and this has been the deal, that if they want to return to a regulated supply they can do that free of charge.

Mr MARTIN - Do they know that they have been told that?

Mr LLEWELLYN - They certainly have.

Ms FORREST - The people who tend to take this option up are the people who struggle to pay power bills.

Mr LLEWELLYN - I am not sure whether Aurora has thought through that issue because if they get 7 000 customers saying, because of the increased prices of Pay As You Go meters, we want you to come and take our meters away free of charge which is what Aurora has offered to do.

Ms FORREST - But as stakeholder minister here, cannot you recommend to Aurora that be the path that they take because it is one of those things that is imposing an added cost to people who can least afford it in broad terms. There are people who perhaps could afford to pay a quarterly bill who choose that option but the majority of the customers, as I understand it, are people who cannot come up with the money on a quarterly basis because it is too much and they choose that option so that they can manage on a day to day basis.

Mr LLEWELLYN - There are a couple of things associated with it. At the time of any PAYG price adjustments, such as now, all PAYG customers have a months window during which they can choose to return to the protection of standard tariffs for this next month, until 6 August, the normal charge of metering change over is waived. So far very few existing PAYG customers have chosen to switch standard tariffs since the PAYG price for 2009 was announced.

Ms FORREST - Mainly because they know that they would not be able to afford the quarterly bill when it came.

Mr LLEWELLYN - I could go through the whole of the briefing that I have here on the issue but I am not sure that it is going to outline in too much more detail what I have already said.

Mr MARTIN - The problem with, all due respect, is that

Mr LLEWELLYN - I cannot go and instruct Aurora as a shareholder to do these things.

UNCORRECTED PROOF ISSUE

Mr MARTIN - I think that someone needs to because I think that they are misrepresenting this Pay As You Go.

Mr LLEWELLYN - I have not said that they are doing anything wrong at this stage. You are implying that I have.

Mr MARTIN - Can I read you what is on their web site for Pay As you Go?

Mr LLEWELLYN - Yes, you can if you want to.

Mr MARTIN - I quote,

'Aurora Pay As You Go is simply pre-paid electricity for the home. Just as it says, you pre-pay for your electricity and you use it as you need it, simple! Plus with our 'time of use' pricing, you can choose when you use it - and save. No more quarterly electricity bill that break the budget. Just affordable electricity paid for weekly or every couple of days - it's up to you. You are in control.'

Then it says:

- easy way to budget
- savings with time-of-use pricing
- convenient recharge agent locations
- control over your electricity costs
- prepaid electricity and no more electricity bills.'

It is all about saving money. Nothing on the web site says it is dearer than the price they would pay otherwise. That is misrepresentation. It is clearly aimed at that demographic market who might be misled by this spin. I think it is outrageous. I think someone has to say to Aurora to get their advertising a bit more transparent and honest.

Mr LLEWELLYN - Aurora is very aware of this and has been in the media about it. A lot of people have asked them about it. The point I am making is that I cannot instruct them to change their pricing arrangements. The only way I could do that is to get some agreement with my colleague, the other shareholder, the Treasurer -

Mr MARTIN - Well, you both care about the battler, you both care about the people who are getting ripped off .

Mr LLEWELLYN - and bring a motion into Parliament that a price of x be established. That would be quite outside the independent price setting arrangements we have in place on a national basis.

Ms FORREST - Do you feel as though there is an obligation for you to do that, for you to get together with the Treasurer and have a good look at this? Clearly people are being disadvantaged through this.

Mr LLEWELLYN - I indicated that I think it is an issue that perhaps Aurora needs to re-look at from their own point of view. I made that statement but they are the ones that need to do that. If people vote with their feet that is probably what will happen.

UNCORRECTED PROOF ISSUE

Ms FORREST - People cannot afford to vote with their feet, in lots of respects, because we will end up with all these defaults with their power.

Mr LLEWELLYN - Aurora would say that even so, the people involved with the Pay As You Go can do all those things that Mr Martin has pointed out - save money by only using electricity when and if and for what time.

Mr MARTIN - But they are not being told it is dearer than they would otherwise be paying. It really is misrepresentation. I am sure as stakeholder minister you could direct them to at least fix up their web site and be a bit more transparent.

Mr LLEWELLYN - I will take it on board.

CHAIR - The clear message from the committee, Minister, is that perhaps yourself and the Treasurer as the stakeholder ministers need to consider this matter. I think if I went back to my original question, which was about creating the food bowl of Australia, then a 40 per cent increase in irrigation charges becomes very problematic.

In regard to retail contestability to households and small business, when will the Government determine whether contestability will be extended to those groups? They make up, as I understand, 30 per cent of the market.

Mr LLEWELLYN - Treasury has longstanding responsibility for the competition aspects of Tasmania's energy and reform program following Tasmania's entry into the National Electricity Market. A key element of this reform program is the progressive introduction of competition into the electricity retail market. Retail competition commenced on 1 July 2006 for the first tranche of customers and is being progressively extended to other customers over a four-year period. Tranche 2 customers, which cover some 43 customers, become contestable on 1 July 2007 and tranche 3, some 320 customers, become contestable on 1 July 2008. Once customers become contestable they may remain on their pre-existing tariffs - regulated tariffs, that is - for up to one year, during which time they are able to enter into a market contract with a licensed retailer. If at the end of this 12-month period a customer has still not entered into a market contract, then electricity will still be supplied under Aurora's energy deemed fallback contract. The Government will not make a decision to extend competition to small businesses and households until after taking account of an assessment of the public benefits for doing so.

The Energy Regulator has conducted this review and in May 2008 released a draft report which formed the basis of further consultation. A final decision has yet to be made. Three interstate electricity retailers now hold retail licences in Tasmania - Country Energy, True Energy and ERM Power Retail. Integral Energy held a retail licence but surrendered its licence in October 2008.

The contestability time table summary was - 1 July 2006 greater or equal to 20 gigawatt hours per year, seven customers; as of 1 July 2007 greater or equal to 4 gigawatt hours per year, 43 customers; 1 July 2008 greater or equal to 0.75 gigawatt hour per year, 320 customers. That has all happened although the trigger time for that last lot, the 320 start - sorry the trigger time is there - but it will not actually start to enforce that. They still operate on a regulated basis until 1 July this year in which case they will be fully contestable. Then at 1 July 2009 for customers greater or equal to .15 gigawatt hours per year.

There are 1 400 of those so they are the smaller business people which on 1 July will start that contestability arrangement but they still could operate under a regulated supply until 1 July 2010. Then the final step would be 1 July 2010 - all the customers under 0.15 gigawatt hours but as the public benefit test outcomes and whether we go to full retail contestability is still yet to be decided.

CHAIR - When will you do the public benefit test, did you say? Did you give a time line on that?

Mr LLEWELLYN - We have done part of that all ready with the regulator and the final report of the regulator which we are contemplating at the moment.

CHAIR - We will move on to natural gas. Currently it seems from the budget papers 38 500 commercial and residential customers are hooked up. What is the projection forward as to the numbers connected by 2009, the end of this year? Is there a projection there?

Mr LLEWELLYN - Natural gas is now potentially available to more than 42 000 small commercial residential customers in 43 Tasmanian suburbs and towns, As of May 2009, 6 400 customers have been connected. This comprises 500 business customers and 5 900 residential customers. There is some information about liquefied natural gas but I did not ask that question.

CHAIR - We know a little bit about that. We will keep it short and simple at this time. Wind generation - does the Government support the proposal that is out there at the moment to put wind generation capacity on to buildings in the Hobart CBD?

Mr LLEWELLYN - That is a bit of a planning issue, too, which we have.

CHAIR - It is.

Mr LLEWELLYN - Obviously if people can conserve energy appropriately by installing their own wind generators or their own solar cells, photovoltaic cells or solar hot water, all of those issues, then we would welcome that from an energy conservation point of view. The wind generators for the Marine Board building and I think one other building that Mr Rockefeller owns are still subject to planning approval.

CHAIR - How much in height does it put them up? We could actually get some decent skyscrapers in Hobart for a change. It needs a bit of a change, the skyline.

Mr LLEWELLYN - No, they are a different type of -

Mr MARTIN - You can put anything you want in Deloraine.

[5.00 p.m.]

Mr LLEWELLYN - They are a different type of wind generator. They do not have blades like the normal wind generator but they are more round sectioned blades. There could be issues there, but that is a matter for the planning authorities.

CHAIR - Any further questions on this?

UNCORRECTED PROOF ISSUE

Ms FORREST - Just in regard to Basslink, can you provide some details of the cost that we have had to pay for the power supply over Basslink, and how much we have charged in Victoria?

Mr LLEWELLYN - How much we have charged Victorians?

Ms FORREST - Yes. How much we have sold and how much we have had to buy back across it?.

Mr LLEWELLYN - We do have some of that information, but I think the Hydro are going to provide information for my Estimates in the House of Assembly. So we can provide you with the same information, if you like.

Ms FORREST - You will table that, you will provide that?

Mr LLEWELLYN - Yes.

Ms FORREST - Basslink cost to and fro.

Mr RUTHERFORD - The information is available for the last year in the Hydro annual report, and you can get fairly detailed information on how much was exported and imported.

Ms FORREST - That would be for last year, yes.

Mr RUTHERFORD - Obviously the difficulty is that the data capture is not continuous, so perhaps if you looked. That is the information we are providing to the other committee.

Ms FORREST - Oh, right. So you do not have any more up to date than this, particularly over the hot summer where Basslink was shut down at one stage.

Mr LLEWELLYN - We know predominantly we were importing power and exporting very little power because of the drought and the hydrological situation that we had in the State. So overwhelmingly power has been imported from Victoria.

Ms FORREST - You do not have a cost to date for this financial year of how much we have paid for that?

Mr LLEWELLYN - All of that would be contained in the annual report of the -

Ms FORREST - No, no - to date this year.

Mr RUTHERFORD - No, because as a normal matter on financial issues, we wait on the formal reporting by the enterprise.

Ms FORREST - We will have to wait for the Hydro report. Right. So what are the water storages at the Hydro at the moment?

Mr LLEWELLYN - They are a little bit over 27 per cent, down a little bit. They got up to almost 29 per cent, but they are fairly stable around what they are at the moment, and hopefully with a bit more rain this week they will probably come up again. They are much better than they were this time last year by almost 8 per cent.

CHAIR - Like money in the bank. Power charges will be able to go down.

Ms FORREST - Exactly.

Mr LLEWELLYN - Hydro talk about it in terms of gigawatt hours.

Mr RUTHERFORD - It is important to understand we will end the year with a below average rainfall year - not much, but even so. Unfortunately a lot of the rain that we have been welcoming in the Hobart area has not been in the key catchments, and while there has been some welcome return to the levels of our major storages in Gordon and in particular Great Lake, which I know concerned members last year, we are not out of the woods. Hopefully this marks a return to something closer to the long-term average, and the good thing about averages is eventually you should get substantially above average. Obviously we have to be prudent in how we view this -

CHAIR - Have you seen the doomsayer prediction on another El Nino, Mr Rutherford?

Mr RUTHERFORD - I have indeed.

CHAIR - Unfortunately I did not want to see that.

Mr LLEWELLYN - There is an additional aspect that we are now able to report this year that we reported last year but we were not as advanced on the matter as we can be this year, and that is that in September this year we confidently expect that there is another 200 megawatts of gas-fired power that will come out of the Tamar Valley power station, and almost the same amount by way of standby equipment that is there - certainly a substantial amount that can be utilised. So our reliance on Basslink overall will be modified by that additional power in the system.

Ms FORREST - I am pleased that we getting the Lake Margaret upper and lower power stations refurbished and back into operation. Are there any plans or considerations being given to refurbishment of other, older power stations or new schemes?

Mr LLEWELLYN - Yes, there is 1 000 gigawatt program which Hydro has to try to extract additional energy where ever it is prudent and financially viable to do from existing systems, either by upgrading existing plant and equipment or the installation of smaller, medium or micro power stations where they can. Restoring the hydrological outputs that we have had in the past and have factored on in the past, has now been downgraded because of the consistently lower than normal hydrological levels.

Ms FORREST - There are not particular projects?

Mr LLEWELLYN - There are projects and as they come on-stream - it would be better to ask the Hydro about the specific projects when we examine GBEs in December. They have been upgrading Tungatinah and Tarraleah power stations. So I could go around all the power stations and say they have been working.

Ms FORREST - There are no new schemes being considered at the moment?

Mr LLEWELLYN - There are no new schemes being considered at this stage. I certainly have not been advised about any new schemes, apart from our Musselroe Wind Farm which is -

Ms FORREST - I am talking about hydro-electric schemes. One further question: will inclusion of smart grid technology be included in the National Broadband Network roll out?

Mr LLEWELLYN - Smart meter technology?

Ms FORREST - No, smart grid technology? There is no intelligence in the current network?

Mr LLEWELLYN - There is.

Ms FORREST - Not to the extent that you could use it with smart grid technology.

Mr LLEWELLYN - I think Transend would say that they have fairly smart technology already. But if there is smarter technology that I do not know about, then I am sure they do.

Output group 3 Mineral resources management and administration

3.1 Minerals exploration and land management -

Ms FORREST - In light of the declining funding out of the forward Estimates in this output group as part of the Government's budget strategy, how will this impact on the work the department undertakes to support exploration in land and tenement management?

Mr LLEWELLYN - As with other areas of government service provision, the reduction in funding due to the global financial crisis has implications for the level of service that Mineral Resources Tasmania can provide. MRT customers are clients and in many cases, themselves, experience the pressures of the financial crisis and will well understand the pressures involved. Mining is an industry that goes up and down in these times, particularly when we are talking about commodity prices. So the main impact on mineral exploration and land management will be a significantly reduced level of activity in the collection of new geological data which is costly in terms of field activity. The focus will instead be on capturing the value of the data already collected and in harnessing the benefits of new technology with respect to the drill core library. This is intended to sustain Tasmania's competitive position in attracting investment in mineral exploration.

Tenement management of the exploration and minerals industry: this area has undergone a major review of its business processes and its use of technology. As a consequence, new arrangements have been put in place which have significantly lifted administrative productivity. While it had been hoped to significantly reduce turnaround times, this may not be possible at present with reduced capacity for undertaking mine leasing, inspection and approval works.

We will also be looking at more flexible deployment of resources to focus our efforts on activities needed for the flow-on effects to new infrastructure projects and the construction industry.

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Ms FORREST - We know that it is a difficult time for the industry as well as the Government, but how are you encouraging exploration currently?

Mr LLEWELLYN - We attend international forums and promote Tasmania, but I will get Dr Brown to give us an outline on that.

Dr BROWN - Over the last three years because of the Government's election commitment funding we have a program of gathering more remote-sensing data and doing some on-ground work in the north-east. In the coming financial year we will be able to put all that together to create a new 3D model in north-east Tasmania which will be far in advance of anything that we have had before.

The other thing is that we are getting from CSIRO, along with all the other States in Australia, what is called a hyperspectral logger. It is a piece of equipment that allows you to analyse a drill core, such as we have in our library, and extract a whole lot of data which tells you what part of an alteration system you are in. So when you put that into the 3D model you use it as a targeting tool, or vector tool, for where mineralisation occurred. This piece of equipment will allow us to use the data in the drill core library that we already have and analyse it because we have not been able to do that in the past, and that helps us with gathering data and putting it out to the industry.

Hopefully we will be promoting this and attract investment into exploration. The other thing that we have to be mindful of is that the world is looking at different minerals. They are looking for uranium and looking under cover in Western Australia and the Northern Territory and South Australia; uranium is a big push at the moment.

Ms FORREST - Intec is a company based in Burnie in the mining sector and they currently recycle approximately half of ACL's stockpile of waste material. This waste has no legal means of disposal within Tasmania, so recycling is very important. There is also an employment issue; there are seven people employed and there is concern that if there is no ongoing government support for ACL that this would jeopardise the operations of Intec. Would you be encouraging the Premier and the Treasurer to get around the table and sort this one out?

Mr LLEWELLYN - This is not the same ACL bearings?

Ms FORREST - This company recycles the stockpile of waste from ACL.

Mr LEONARD - I have recently been talking to Brian Banister, who is the manager. They are continuing to do a number of programs; ACL bearings is just one of the programs that they are doing and they would continue to do that whenever there is sludge waste available from there, but they also do other programs. They are doing some work for the Launceston City Council, as I understand it, and they have tendered for a number of other projects as well. I was told by Mr Banister that they have work for at least another 18 months at the present time and they continue to tender for other work.

Ms FORREST - They will, but this is an issue that they see as their core business, and what will you do with this waste if it isn't treated and recycled? There is no legal way of disposing of it in Tasmania?

UNCORRECTED PROOF ISSUE

Mr LEONARD - It has been sitting in Tasmania for a long time and the Department of Environment has obviously been dealing with it in the past. We have not had this technology until recently and that technology is not going away.

Ms FORREST - No. The point is if ACL was not supported in that they would lose that component of their business.

Mr LEONARD - But there are other programs and other jobs they are tendering for which they believe will keep them busy. They have finished the current program with ACL Bearings and my understanding is that there is not another program for ACL Bearings planned for another 12 months, until they get another build-up of sludge.

Ms FORREST - That is not what I was led to believe.

Mr LEONARD - That is different to what Mr Banister told me.

Ms FORREST - I phoned Mr Banister, too. Does the minister have an interest in seeing this sorted out with the Premier and the Treasurer?

Mr LLEWELLYN - I think that matter is being sorted out with the Premier and the Treasurer. Even as recently as this morning, I heard further statements about ACL and the fact that they have got very close to having to advise their staff of closure and now they are back in negotiations with the State and Federal governments over the \$8 million - \$4 million from the State and \$4 million from the Commonwealth - but there was an issue of some conditions placed on the State Government's \$4 million component, which involved the directors.

Ms FORREST - For them to put up security?

Mr LLEWELLYN - Yes, making some positive moves. I think the Treasurer said a fair bit about this when he was before the Estimates committee.

Ms FORREST - Yes, he said a little bit. He touched on a number of those concerns that treasurers have.

Mr LLEWELLYN - I think he made some comments about the negotiations and I think we should just let them occur and hope that their outcomes are positive.

Ms FORREST - Just one other point that has been raised with me, and this goes more to lobbying the Federal Government on this matter: the issue of flow-through shares to support junior exploration companies. The Australian Institute of Mining and Metallurgy has put a submission to the Federal Government to look at this opportunity to support the junior exploration companies. Will you be lobbying as minister to encourage the Federal Government to follow through? It was a 2007 election commitment, I understand, that they would go down this path.

Mr LLEWELLYN - I understand it is a Commonwealth responsibility. It is probably very positive.

Dr BROWN - We already have put some issues in through the MEAA - the Canberra one - and one of the main planks on that is flow-through shares. The last report has been finished and it will be tabled at the Ministerial Council for Minerals and Petroleum in July. That is the

recommendation that will then be taken up by Minister Ferguson, who will take the chair for the following year and that will go up to Treasury in Canberra for them to decide. It is outside the State.

Ms FORREST - I appreciate it is outside the State but it -

Dr BROWN - All the lobbying has already been done through the action in January.

3.2 Tenement management of the exploration and minerals industry -

Ms FORREST - Could you provide some up-to-date information on the expenditure on exploration that has gone on in the State in the last 12 months?

Mr LLEWELLYN - According to the ABS, expenditure on mineral exploration in Tasmania for the March 2009 quarter was \$3.3 million, sharply down on the \$7 million recorded in December 2008. Tasmania's share of expenditure was down from \$1.08 million to \$0.82 million over the same period in raw terms and from \$1.07 million to \$0.91 million in trend terms. Mineral Resources Tasmania data record a lower total of \$2.85 million, of which 82 per cent was spent on exploration licences. This figure is down on the \$7.06 million recorded by MRT in the September quarter. The greatest share of this fall was expenditure on mining leases down \$3.32 million to \$0.52 million. The higher ABS figure may largely reflect exploration on the King Island scheelite project. It is being focussed on a retention licence.

MRT only collect data on potential licences annually. The data confirm anecdotal evidence that mineral exploration is in severe contraction as evidenced by fewer drilling rigs operating and suspension of some major exploration projects such as those carried by Ausminerals Limited in Western Australia. Despite this, a number of projects are operating at a high level and high prices for gold are likely to encourage exploration for that commodity. This will fit well into the Government's TasExplore initiative which is providing new information to assist gold exploration in north-east and central north, as Tony has mentioned.

There are also new developments in the pipeline including King Island scheelite deposits and the resumption of underground mining at the Hellyer deposit. I suppose that goes along with the comments that Tony has mentioned about the sort of minerals that are being explored for at the moment, some of which are not in Tasmania like uranium.

Dr BROWN -If you look at the figures for the last three quarters it is \$17.6 million, even though the last quarter is down a lot. On the average we could expect to get about \$21.5 million per year and that would be in the norm of the figures that we have been receiving over the last three to four years. There was a very high peak last year.

Ms FORREST - Do you expect that to contract further though in the next few quarters or is hard to tell?

Dr BROWN - Pass. I do not have a crystal ball and I am not a company person. With all due respect, we have no idea how much is going to come in. It really will depend on how the mineral prices go and exploration is the first to be cut out and it is the last to be brought back on again.

Ms FORREST - Having said that you would expect there to be a more prolonged decline?

Dr BROWN - No, well I hope not. On the information we have metal prices should probably have stabilised all ready and -

Ms FORREST - But exploration will not pick up immediately - that is what you are saying.

Dr BROWN - No, it will not pick up immediately but it may not decline sharply as it has. My hope is that we are in a plateau and in the next couple of years it will pick up and that is on information we have got from talking to companies while we have been promoting the State.

Ms FORREST - Are there any external costs imposed on the mining industry, such as transport costs, that impose a burden to the industry at this time, such as roads owned by other businesses including Forestry Tasmania, and if so is anything being done to try and address those?

Mr LLEWELLYN - Yes. The answer to that is yes and the answer to the second part is, yes, we have been doing something about it. I understand Forestry has been talking in that one case that you are probably highlighting in your general question.

Ms FORREST - Is Forestry coming to the party there?

Mr LLEWELLYN - We expect so. They have given every indication that they will address that matter positively.

Ms FORREST - That is one for Forestry Tasmania, you are saying?

Mr LLEWELLYN - Yes it is. We have represented that particular case and we have given an indication to Forestry that we think that they need to re-look at their situation because I think the company has a very strong case in this regard and Forestry has given every indication that they will -

Ms FORREST - They gave that indication to me some time ago, it would be over a year ago.

Mr LLEWELLYN - We have only recently taken it up, over the last month or a bit over.

Ms FORREST - The wheels move slowly sometimes.

Mr LLEWELLYN - I have just been advised that the meeting was going to occur just recently between Forestry and the company and since that meeting - it has been assumed that it occurred - we have not heard any adverse comments.

Ms FORREST - Right. From either party?

Mr LLEWELLYN - No.

**Output group 4
Support for the minister**

4.1 Support for the Minister -

UNCORRECTED PROOF ISSUE

Mr HARRISS - On 4.1, Minister, I am interested to find out whether there are any significant or sensitive policy matters under consideration or negotiation, whether it be nationally or internationally?

Mr LLEWELLYN - There are some sensitive matters under negotiation with international companies but because they are sensitive, I do not think we should be talking about it too much.

Mr HARRISS - This is all about support to you as minister in policy development?

Mr LLEWELLYN - Yes.

Mr HARRISS - You talk in the budget papers about building support for the Tasmanian forest industry brand in key international markets. There must be sensitive energy matters -

Mr LLEWELLYN - I was really referring with that last comment to some mineral opportunities that may occur in the future. We have been talking to various companies about it. I am not sure of your question and scope of the issues but I have not had any recent discussions about pulp mills or anything of that nature, if that is what you are trying to -

Mr HARRISS - No. I have had a look at the output line and focussing simply on that, whether they are sensitive or significant because it is all about policy development in the areas identified in the budget papers whether there are significant issues being raised by you with your Federal counterparts or vice versa with regard to minerals areas, exploration. I have just alluded to the forestry matter.

Mr LLEWELLYN - There are World Heritage areas, all those sorts of things.

Mr HARRISS - Can you provide some detail?

Ms HOWROYD - In terms of World Heritage there are some negotiations that are currently occurring with the Australian Government and they have arisen from a recent decision taken last year by the World Heritage Committee in relation to the Tasmanian wilderness World Heritage area. That would be sufficient information?

Mr RUTHERFORD - There are negotiations that have to go to the implementation of the decision and there are implications for both governments that could come out of that, that need to be resolved before we can sensibly implement those in Tasmania.

Mr LLEWELLYN - We have had further discussions with the Commonwealth about funding arrangements with world heritage areas and it is as much my colleague the Minister for Parks and Wildlife, her area, as mine.

Mr HARRISS - Can you be specific about any particular detail with regard to promoting, as the budget paper suggests, our forestry brand in key international markets?

Mr LLEWELLYN - Yes, certainly.

The environmental non-government organisations, that around the world are funding coordinated lobbying in Japan and China against the use of our wood products, are calling for boycotts. They have also developed alternate marketing rules for Tasmania's good forest products

which are being promoted by the Forest Stewardship Council. It is important that we do not allow the misinformation spread by some NGOs to undermine our stable forestry industry contribution to our economy. Tasmanian producers cannot solely rely on the Australian Forest Standard and program for the endorsement of forest certification, the FC, this would not secure unimpeded market access for woodchips, pulp and solid wood products. A business using this approach could put at risk the loss of millions of dollars to the economy. The Government's aim is to build on initiatives delivered under the Tasmanian Community Forest Agreement communications program to foster relationships, information exchange networks to promote the sustainable Tasmanian forest industry brand with key international stakeholders.

[5.30 p m]

The Government has put in place links with major industry players and customers, media-relevant government departments, interest and consumer groups. This involves working directly with government, industry and consumer groups in addition to environmental NGOs. It includes coordinating the efforts of both national and local forest industry bodies, NAFI, A3P, FIAT, FFIC and work is coordinated with the PEFC, but this is necessarily independent. Chain of custody arrangements and so on are progressing apace so a lot of work is going on in that area.

DIVISION 6

(Department of Justice)

Output group 10

Resource planning

10.1 Land use planning -

Mr MARTIN - Under the resource planning output the budget is still providing separate amounts for land-use planning and the commission. Why are they not combined into the one amount? Is it because the legislation had not gone through in time?

Mr LLEWELLYN - It has not commenced. We have not proclaimed that legislation yet. It will not be before the end of the financial year so, from an accounting point of view, we have to deal with it as it is.

Mr MARTIN - I expected that to be the answer. Given that, the amount of money allocated to land-use planning from 2010-2011 is far more than is going through to the regional planning projects. Given that the north-west funding finished at the end of this year, the north in the middle of the next year, the south will still be about \$350 000 for the 2010-11 financial year, is it, therefore, the intention of government to allocate money beyond the regional planning initiative to something else?

Mr FISCHER - In terms of the budget for the regional approach, that came in at \$1.5 million and that was first shown in the 2007-08 budget. Then there was the seven-strategy budget of \$750 000. In the first year it was \$250 000 and \$500 000 in this budget. That combined is \$2.25 million. We will be spending all the \$2.25 million on the three regional approaches and also the sub-regional project on the east coast.

Mr MARTIN - So that money will be transferred over to the TPC?

UNCORRECTED PROOF ISSUE

Mr FISCHER - Yes. It has been allocated to the projects through a deed of agreement between the State Government and the councils. There is a payment schedule and so forth as part of that so that will have to go with the TPC budget.

Mr MARTIN - What is the intention for the current staff of the Land Use Planning office, when are they being transferred over?

Mr LLEWELLYN - When the legislation was proclaimed there will be a transaction arrangement for them to change over to the Tasmanian Planning Commission at that stage.

Mr MARTIN - It is just hard to tell from the Budget given the timing that we are in; will there be more planners or fewer?

Mr LLEWELLYN - You would have had a debate about this in the Council but one of the main reasons or one important reason for leaning towards a Tasmanian Planning Commission was to get the resources together so that the planners within the department at the moment will come across and join with the planners in the existing Resource Planning Development Commission. We will get some economies of scale and critical mass associated with that and some actions, particularly with the Tasmanian Planning Commission and local planning authorities, to occur in a better way than what has occurred in the past.

Mr MARTIN - Is there a model for how this staff structure or how this is all going to work?

Mr STEVENS - There were discussions with the Executive Commissioner about the structure that brings the two parts together, bearing in mind that there will be a hard divide between the commission itself which has the statutory function of making decisions and then the policy advice part. So at the moment that structure is being put together with the aim of transferring people into the positions as soon as the act is proclaimed.

Mr MARTIN - When that happens are they all going to be relocated to the same space?

Mr STEVENS - Again, that was part of the discussions. They are currently spread across two sites. I know that the executive commissioner desires to amalgamate them into one site at some time but there are issues about the leases we have on buildings et cetera, so we have to make those decisions in the best financial sense so there will be a bit of to-ing and fro-ing while we get to that point. It certainly will not be immediately but that will be the aim.

Mr MARTIN - There does not seem to be any money in the budget - that is what I was getting to - so it is unlikely to be this year.

Mr STEVENS - It really depends what it costs, what our lease arrangements are on the two buildings, but that will be the aim.

Mr MARTIN - Managerially it is going to be quite difficult.

Mr LLEWELLYN - Maybe. There could be other uses for the spaces that one vacates and there are always possibilities for deals with these arrangements under existing leases.

Mr MARTIN - We just have to watch this space, I suppose. On the matter of our \$2.3 million, given that we need to take into account the ongoing complaints from local

UNCORRECTED PROOF ISSUE

governments about delays in hearings and amendment consideration, and I have noted for years the under-resourcing of planning at the State level with the forthcoming State coastal policy, is there likely to be a planning directive to bring in the revised new common provisions? I just cannot see how the budget is big enough to do what the State needs to do in all of this planning reform.

Mr LLEWELLYN - We are operating in tight times and I suppose it was one of the other imperatives of the move we are making. I think we can make more from what we have by these moves, but we could always do with more.

Mr MARTIN - You are promising the world at the moment in the reform of planning. I just cannot see that you are going to be able to deliver on what you are promising without funding it properly.

Mr LLEWELLYN - I think we have started to deliver and it is our intention to continue that. I think we have made really good progress with the MOUs and the regional bodies.

Mr MARTIN - You have good people, you just do not have enough of them to deliver your side of the bargain. That has been the case for many years, and I am sure you are aware of that.

Mr LLEWELLYN - I had some support from my colleagues to try to look at further resources, even though that has not been widely stated. Given the budgetary financial problem we have at the moment, it has not been possible.

Mr MARTIN - I could explore all of these things a bit further but I am under time pressure. State coastal policy, where is that up to?

Mr LLEWELLYN - It has been through a comprehensive review process involving government agencies, councils, industry bodies and the general community. Based on the outcomes of these consultations, a draft revised State coastal policy has now been developed. It was recently requested that the Resource Planning and Development Commission advise whether the proposed amendments constituted significant change to the existing policy. The RPDC has considered the amendments and advised the Premier that they are a significant change. The Premier now is in the process of referring the draft revised policy to the commission for full assessment and report, as required under the State Policies and Projects Act 1993. This will involve a full public consultation process. It is expected that the RPDC assessment process will take approximately 9-12 months.

Mr MARTIN - So it is a significant change?

Mr LLEWELLYN - Yes.

Mr MARTIN - Has that been made public yet?

Mr LLEWELLYN - Yes, I think the Premier has made an announcement that he has referred it to the commission.

Mr MARTIN - Are the documents public?

Mr FISCHER - Yes, it is on the RPDC web site.

Ms FORREST - In regard to the protection of agricultural land policy question I asked in the wrong spot earlier. We know we have an interim policy sitting there, can you tell us where we are at?

Mr LLEWELLYN - These State policies are in the ambit of the Premier, as you know, even though premiers can delegate this to some extent and that is what happened the first time around. The Government has undertaken a comprehensive review of the State Policy on the Protection of Agricultural Land 2000. That involved that consultation. In May 2008 the Premier referred the draft revised policy to the Resource Planning and Development Commission for assessment, as required under the act and directed the commission to report back. In the meantime, to give immediate effect to the draft policy, the Government revoked the State Policy on the Protection of Agricultural Land 2000 and introduced the 2007 policy as an interim State policy. The interim policy came into effect on 11 July, even though councils say that it did not, to operate on a temporary basis for up to 12 months while the RPDC conducted its assessment process. The commission has completed its assessment process and forwarded a copy of its report to the Premier for consideration. As required under the act, the RPDC has published notice of its report to the Premier and made the report publicly available on its web site. The Government is currently considering the report recommendation with a view of recommending to the Governor the making of a Tasmania sustainable development policy. The new policy will be in place before the interim policy expires in July 2009.

[5.45 p.m.]

Mr HARRISS - The State Architect was an announcement at last year's Budget. I just wonder what role the State Architect plays in planning urban design and building architecture and so on, in some of the significant and sensitive areas?

Mr LLEWELLYN - The position of State Architect is an exciting new initiative for Tasmania. It provides a strong pointer of how the Government wants to involve the Tasmanian creative community in the State's development. Tasmania's built heritage is undergoing a process of change and renewal. There is a debate about how some of our most iconic places should be used and adapted for future use. There are also developments proposed for new sites which have the potential for being the icons of the future. The State Architect will bring an independent professional view of how individual projects fit into the broader picture and of where we want our built heritage to be heading. I announced that Mr Peter Poulet has been appointed as Tasmania's first State Architect, taking up the position on 1 June. He has been recruited from the position of assistant government architect in New South Wales where, among other things, he managed a large number of architects, responsible for projects in the Justice and Education portfolios, TAFE colleges, health buildings and Indigenous design units. Despite the fact that one of his most important tasks will be to lead the preparation of the master plan for Hobart's waterfront, the State Architect has a brief which spans Tasmania as a whole.

Mr Poulet has an interest in low cost sustainable housing design and I look forward to tapping into that expertise. I know there is a lot of stakeholder and community support for the position of State Architect and he has started the process by forming collaborative working arrangements with stakeholders around the State and, in particular, the University of Tasmania.

Mr MARTIN - The Project of Regional Significance legislation, where is that up to now?

UNCORRECTED PROOF ISSUE

Mr LLEWELLYN - We were hoping that we would have all of our comments sorted out by 19 June. We have had input and another round of discussions, particularly with local government. There are a number of suggested amendments, some which are fairly sensible. So we are endeavouring to get that legislation as quickly as possible but it might not be available until the August opening of parliament.

Mr MARTIN - The State Coastal Policy, given its status at the moment, does that, in any way, impact on the Lauderdale Quays project?

Mr LLEWELLYN - No.

Mr MARTIN - It is on the web site now for discussion?

Mr LLEWELLYN - Unless something is wrong.

Mr FISCHER - You asked a question about whether the commission considered that it was a substantial amendment to the coastal policy?

Mr MARTIN - Yes.

Mr FISCHER - That is on the web site but I do not think the coastal policy is out for exhibition at this present time.

Mr MARTIN - Oh, right. That was news to me. So, the State coastal policy is not out yet? When will the State coastal policy be made public?

Mr LLEWELLYN - It has been considered a significant change and it is expected that the RPDC assessment process will take approximately nine to 12 months to complete. I have just been told the Premier is in the process of referring a draft revised policy to the commission for full assessment and report, as required under the act. It has not got to the RPDC but once it does it will take nine to 12 months to be dealt with.

Mr WILSON - I think we had a release this week.

Mr MARTIN - Is that right?

Mr WILSON - I thought the Premier put out a release this week saying he had referred it to the RPDC.

Mr LLEWELLYN - I think he did.

Mr MARTIN - So it has been reported to the RPDC, so they will be doing this after they have done the Lauderdale Quay. It has taken a long time to come from government.

Ms FORREST - A question regarding the water and sewerage corporations and the linkage with development applications. If a developer was using corporation infrastructure and easements, would they need to have the approval of the land owner prior to lodging an application?

UNCORRECTED PROOF ISSUE

Mr LLEWELLYN - There is an issue where a development application will have to have a separate certification from the water and sewerage corporation for a development approval to be finalised which we do not expect will delay things - I hope they will not.

Ms FORREST - Are there time frames for the corporation to provide feedback, for example as to whether further information is required or on their final advice or whether it would allow council time to meet the LUPA approval requirements.

Mr LLEWELLYN - I can recall there was a two week period for them to turn those around but we had better take that on notice to give you some further information. It should have been in the second reading speech for that bill when it came through the Legislative Council.

Ms FORREST - I am not sure if it was. Do you want to put them on notice with those ones? They are related to the same issue.

Mr LLEWELLYN - Okay.

Mr MARTIN - The coastal policy has been given to the RPDC. At some point in the deliberation it has to be made public. Can I find out when exactly that will be?

Mr LLEWELLYN - The process was that the RPDC advised that it was a significant change and therefore the Premier -

Mr MARTIN - It surely needs to have public input?

Mr LLEWELLYN - The Premier then agreed to refer it back to the RPDC for further consultation and so on, the process of which will take nine to 12 months and it is up to the RPDC to make it available.

Mr MARTIN - Is it possible for us to get some indication as to when that might be?

Mr LLEWELLYN - The RPDC will put it on exhibition as part of their process.

Mr MARTIN - How soon could we expect that?

Mr LLEWELLYN - I think I am right in saying that the Premier made that announcement this week and therefore it should be with the RPDC now but I would have to inquire from the RPDC what their intention and time frame is. In order to have it done as expeditiously as possible they would need to do that as quickly as possible because the time it takes is nine to 12 months. That was one of the reasons why in the new legislation that we are going to be looking at we will be trying to look at a better process for state policies that might expedite things a little more.

Mr MARTIN - Is it possible we could get further information about when it is going to be made publicly available?

Mr LLEWELLYN - Yes - time frame for coastal policy and public exhibition.

Special capital investment funds -

UNCORRECTED PROOF ISSUE

Mr WILKINSON - If we can look at the two together, Franklin Wharf redevelopment and also the Sullivans Cove Waterfront Authority because that is next in line, can I ask why the two are split up? Why don't we deal with them together? One is under special capital investment funds and the other under grants and subsidies.

Mr LLEWELLYN - I think that is because one is a special capital investment and the other one is not.

Ms HUTTON - The Franklin Wharf redevelopment money comes out of that particular fund and is administered by Treasury, whereas the other is just the pass through of the grant. They are completely different amounts of money but the current amount is just their budget for operating, whereas the Franklin Wharf redevelopment is project funds to do a particular project as against a sum of money.

Mr WILKINSON - Talking about the Sullivans Cove Waterfront Authority - I know it has had a bit of a history and I spoke out a couple of years ago about it -

Mr LLEWELLYN - Yes, we can still remember.

CHAIR - Be succinct here, don't encourage him.

Mr WILKINSON - I was concerned with what I thought was probably rigor mortis setting in; can you give me an idea as to what has happened in recent times?

Mr LLEWELLYN - Well, as you know I have not had long experience in this area but there has been a lot of work and I do not think that should be underrated - the amount of work that has been done by the Sullivan Cove Authority on the reports that they have - but I think we have reported enough and we need now to consolidate those reports and produce a master plan.

We now have Mr Sides, the CEO, and Mr Poulet, the State Architect, who are overseeing those actions; they have been set a task to have a master plan in place towards the end of this year and they have both agreed to work diligently to do that. The authority's workload is administrative, planning, building and plumbing controls. In the last three financial years the authority has determined 423 applications, comprising 155 planning matters and 268 building and plumbing matters. So they operate as a planning authority in the true sense. If they had not done that the Hobart City Council would have, so it probably saved the Hobart City Council a lot of effort and money over that period. Hobart City Council is now back in the tent, as it were, and they will be discussing things with us and have a member on the Authority.

Mr WILKINSON - So when would we be able to say that there would be something for the people to see?

Mr LLEWELLYN - I am hoping maybe in October. That is the sort of time frame that I have talked about with Mr Sides.

Mr WILKINSON - So the public will see the plan, you believe, in approximately October of this year?

Mr LLEWELLYN - We say towards the end of the year and that is towards the end of the year.

Mr WILKINSON - It is all right, just watch this space.

Mr MARTIN - Can I clarify? You are the Minister responsible for the Sullivans Cove Authority?

Mr LLEWELLYN - Yes.

Mr MARTIN - There has been some public confusion recently whether it is you or Minister Sturges or the Premier.

Mr LLEWELLYN - It is me.

Mr MARTIN - It is you definitely?

Mr LLEWELLYN - I just keep a low profile so people think it is someone else.

Laughter.

Mr MARTIN - You have done it very well.

DIVISION 10

(Department of Primary Industries, Parks, Water and Environment)

Output group 3

Resource management and conservation

Inland Fisheries Service (Table 11.28) -

[6.00 p.m.]

Mr HARRISS - Why is the service not listed as an output item. The only area that I can see there that is government-funded is grants - the \$1.2 million. Why is it not listed as an output item rather than almost tucked away?

Mr LLEWELLYN - It is a very important part of my responsibilities but not directly part of the agency because it is an independent commission and the funding is through that line item. We have had some issues with funding over the years, as you know, but the money that comes out of the Consolidated Fund and finds its way into Inland Fisheries has to be identified somehow in the budget paper.

Mr HARRISS - It does not matter much but it is intriguing as to why it does not appear as an output item.

Mr WRIGHT - The reason is because it is classified as an administered payment so we treat it very much the same as the Botanical Gardens, the Tasmanian Institute of Agriculture and Research and TAFI. Those organisations are funded by administered payments and they all feature that way in our reporting. The other issue is that the director is a statutory corporation in his own right and, as such, there is an independence whereby the administered payment is only part of our funding. We retain licence fees and other activities that we undertake for our purposes as well.

UNCORRECTED PROOF ISSUE

Mr HARRISS - The only concern is that the net operating result is a substantial negative; when you look at the overall funding position of the organisation over the forward Estimates - \$250 000, \$250 000, \$330 000 - and I suppose it is just as well you have decent cash reserves to start off with. What is the chance of getting back into a positive operating result rather than a negative?

Mr WRIGHT - I can report that in 2008-09 we will record a significant surplus compared to last year where we had an operating deficit. We are doing a range of things to commercialise our operations. We have reduced salaries this year in advance of that and we have a range of initiatives to address that. The budget figures were based on a status-quo position at the time. They were based on the expectation that we were not going to receive any compensation for CPI movements or State wages. We have had an issue with payroll tax whereby we lost the general exemption. So we have to recover somewhere around about \$660 000 in operating costs to make sure we break even there. We are doing that in a number of ways. Obviously there are cuts in salaries, we have rationalised our assets, we are looking at maximising returns from assets and returns from our hatchery. We are looking at expanding the biological consultancy area that we currently operate and a range of other initiatives.

Mr HARRISS - When you say the 2008-09 position will be substantially positive, I am looking at the budget for 2008-09, the operating result was expected to be \$11 000 negative, so we will see a substantial turnaround in that, will we?

Mr WRIGHT - At this stage I believe we will be looking at an excess of \$100 000 in the positive.

Mr HARRISS - Operating result or in cash flow when GST is factored in?

Mr WRIGHT - In cash flow. Our cash reserves have increased. We are running at about \$300 000 more cash today than we had at 30 June last year.

Mr HARRISS - So you will have more than \$1 million in the bank at the end of this financial year, the budget was to have just over \$1 million. Do you think you are going to be substantially more than that? That then will affect -

Mr WRIGHT - the year after.

CHAIR - Thank you very much, Minister. On behalf of the committee I would like to thank you for your forbearance today and members of your staff in all the departments.

The committee adjourned at 6.05 p.m.