

**Thursday 26 June 2008 - Estimates Committee A (Llewellyn) - Part 2**

**Output group 4  
Review services**

**4.1 Anti-Discrimination Commission -**

**Mr MARTIN** - Minister, the budget papers show a target of 240 complaints in 2007-08. Do you know what the actual number is likely to be?

**Mr LLEWELLYN** - Yes, there are some figures but they are only to 30 April 2008. At the moment 358 complaints closed during the reporting period. The complaint files registered under identities were 708 last year and to date 672. The complaint files registered under areas of activity 665 last year and to date 475.

Due to the limitations of the current case management system, if a complaint is received with multiple respondents and issues it is necessary to record multiple files for the complaint to ensure that all attributes and respondents are identified. So some of those are doubled up, you cannot separate them otherwise.

**Mr MARTIN** - I have heard many people talk about putting a complaint into the commission but there seems to be a lack of public awareness of their rights and responsibilities. Have you thought about a promotional campaign?

**Mr LLEWELLYN** - Yes, there is in fact a number of things that are done. We continue to disseminate information about the Anti-Discrimination Act 1998 promoting acceptable attitudes, acts and practices relating to discrimination and prohibited conduct, and activities undertaken during the year. They would include for instance the launch of the third in-house publication, *Who Said I Can't*, on 3 December last year - international day for people with disabilities. The publication provided a glimpse into some extraordinary lives of people living with disability. There was the production of a newsletter entitled *Tas-Discrimination News*. The newsletter is currently circulated to over 900 contacts around the State, including public and private. Staff are providing information on the act and complaints handling through regular segments at community radio broadcasting stations. That initiative commenced in 2007. Four radio stations across the State are currently involved in the program. In addition to the redesign and professional printing of OADC information procedural brochures, the OADC has designed a pocket-sized information card. It has been translated into Arabic, Amharic and Swahili for our new migrant people. The community education unit, in addition to its educative role, provides valuable support.

Many cultural awareness programs are being undertaken within the State, like the Hobart City Council Networking for Harmony Committee. The demand for corporate training in the area of antidiscrimination continues to increase at a statewide level. The OADC has made submissions and contributions on a range of legal and policy issues including the Attorney-General's department, the ACT, national interest analysis on the possible ratification of the United Nations Convention on the Rights of Persons with Disabilities, Australia's report to the UN Committee on the Elimination of Racial Discrimination, Australia's combined sixth and seventh report on the implementation of the UN Convention on the Elimination of All Forms of Discrimination Against Women. An administrative review of the Anti-Discrimination Act commenced in the latter part of 2006 and is continuing to progress to its final stages.

**Mr MARTIN** - When will that be expected to be completed?

**Mr LLEWELLYN** - It is continuing to its final stages, so the work is basically completed, so maybe within the next six months. We have not had any whole-of-government consideration on it at the moment.

**Mr MARTIN** - So you would expect to take that to Cabinet relatively soon?

**Mr LLEWELLYN** - Yes, this year sometime. It is anticipated that the amendments to the act will enable further streamlining and greater administrative efficiency and flexibility in the complaint-handling process.

**Mr MARTIN** - I just wonder whether I have been reading this right. The performance indicator, the number of accepted complaints - what does 'accepted' mean? Is that complaints that have been accepted to be investigated or complaints that have been proven?

**Ms HUTTON** - I think that terminology would mean they are eligible to be considered by the commissioner as complaints under the act. People do bring matters to the commissioner that they think may be antidiscriminatory complaints that turn out not to be.

**Mr MARTIN** - Okay, that is the way I was reading it. Is there a performance indicator on how many of them are resolved in affirmative decisions - complaints that have been proven?

**Ms HUTTON** - I do not think you could have a performance indicator on that because that would be prejudging the matter.

**Mr MARTIN** - But they come to an outcome.

**Mr MARTIN** - What I am looking for is the outcomes of the complaints that have been investigated.

**Mr LLEWELLYN** - In 2006-07 financial year there were 611 and in 2007-08 to 30 April it is 358. Of those, in both years, 52 were conciliated; 100 in 2006-07 were dismissed and 17 in 2007-08 were dismissed. In 2006-07, 17 were reviewed to the tribunal; in 2007-08, 66. There were 180 rejected in 2006-07 and 74 in 2007-08.

**Mr MARTIN** - Are there any indicators on the type of complaints with racial disability or vice versa?

**Mr LLEWELLYN** - Yes, what if I were to provide you with this table?

**Mr MARTIN** - Yes, that would be great, thank you.

**Output group 5  
Electoral services**

**5.1 Elections and referendums -**

## UNCORRECTED PROOF ISSUE

**Mr HARRISS** - The target for Legislative Council elections participation rate for 2007-08 was 89 or greater than 89 per cent. I suspect it did not reach that. There were only two elections in this financial year, mine and Kerry's, and I suspect it did not get anywhere near the 89 per cent that you were hoping it might.

**Mr LLEWELLYN** - Huon was 82.86 per cent and Rosevears was 80.16. He did not doorknock quite as hard as you did.

**Mr HARRISS** - So the House of Assembly is always in excess of 90 per cent and Legislative Council is always just above 80 per cent. I guess the Electoral Commissioner is regularly doing all that he can to ensure the participation rate is higher, but it just doesn't seem to get people excited.

**Mr LLEWELLYN** - There is a lot of advertising, as you know. Those people that conducted, or were part of those elections, would know that the Electoral Office does quite an extensive amount of advertising prior to the election to try to get the voters out. There were three initiatives introduced in 2007 to improve the awareness. A reminder postcard was mailed to electors four days before polling day as a last minute reminder and it included the elector's details, including role number. The electors were encouraged to bring the postcard to the polling post to make it quicker to mark their name off the role. There was personal digital assistance - PDAs - and hand-held computers were successfully used again at polling places to replace printed rolls for marking-off electors. Electronic voting for visually impaired electors was again made available. It enabled electors to use computers to print their preferences on a ballot paper which electors then placed in a ballot box. While only four blind or visually impaired electors used this system to cast a vote it is hoped that in the next few years more electors will familiarise themselves with the system. Of course, a lot of those people in that category claimed postal votes and so on, so they are pretty used to doing that. From a disability point of view, access is better. We need to improve access to polling booths to accommodate people with disabilities.

[1.45 p.m.]

**Mr HARRISS** - I wonder whether the Electoral Commission does any research to evaluate their mail-outs. I heard numerous comments during the election campaign that people just did not know it was on, notwithstanding three or four mail-outs by the Electoral Commission. I just wonder what they do to somehow make an assessment of what is going on?

**Mr LLEWELLYN** - I do not have Mr Taylor here. It is a difficult issue and I think members will realise that. The Electoral Commission does its utmost to do things and I think we probably do more than some other States in regard to this. People are more conscious about elections in Tasmania because they are more personalised. Our Hare-Clark system is probably responsible for a lot of that. That rubs off in that the culture that electors have in Tasmania is probably better than in the other areas. We get better poll turnouts. I know this might be a controversial for me to say but in the local government area, even though we do not have compulsory elections and even though polling is not huge by any means, nevertheless we have a bit better turnout than in many of the other States. So it does suggest a bit more awareness by electors about their responsibilities. How far do you go? That is the issue, I suppose.

**Mr HARRISS** - It is not a matter of how far you go, it is a matter of assessing.

**Mr LLEWELLYN** - How effective?

## UNCORRECTED PROOF ISSUE

**Mr HARRISS** - That is right - assessing the effectiveness of your marketing campaign.

**Mr LLEWELLYN** - I can get the Mr Taylor to make a comment about your remarks.

**CHAIR** - Yes, if you would not mind, Minister.

**Mr HARRISS** - I will put it on notice.

**CHAIR** - Perhaps the quality of the candidates did not inspire the electorate last time.

*Laughter.*

**Mr LLEWELLYN** - That could be.

**Mr HARRISS** - You do not have to agree with him.

**CHAIR** - I was talking about the member for Rosevears, not the member for Huon.

**Mr LLEWELLYN** - I think in both members' cases the electorate would see that those candidates were top candidates likely to win the election, so maybe they do not need my vote so I will not vote.

**Mr MARTIN** - The Premier recently announced a new government policy on compulsory elections for local government. Was advice sought from the Electoral Commissioner in relation to that?

**Mr LLEWELLYN** - From time to time we have talked to the commissioner about that issue. It is party policy.

**Mr MARTIN** - But was any advice sought about what the impacts would be?

**Mr LLEWELLYN** - I have not sought any in recent times. I am not sure whether the Premier has.

**Mr MARTIN** - The difference in cost between local government compulsory elections and postal voting - any idea what the difference might be?

**Mr LLEWELLYN** - I would have to seek information about that for you.

**Mr MARTIN** - Could we ask for that to be tabled?

**Mr LLEWELLYN** - Yes. We might have that from discussion that happened a couple of years ago.

### **Output group 6 Corrective Services**

#### **6.1 Prison Service -**

## UNCORRECTED PROOF ISSUE

**CHAIR** - Minister, I notice we are spending quite a bucket of money, another \$20 million-plus for a new maximum security block at Risdon. I was on the Public Works Committee when we initially approved the redevelopment, along with the erstwhile chairman of the Public Works Committee, Mr Harriss. I think the project has blown out quite a bit over time. We have spent a lot more money over there than the original \$60 million or \$65 million that we initially approved. Why do we need another maximum security block? Is it the fact that we are getting significantly more hardened criminals in the jail or are they being transferred out of medium security?

**Mr LLEWELLYN** - No. If you were part of the original Public Works Committee you would know that the project is staged and this is stage D in the project. It will include the construction of a new maximum security block. The preparation and tender documents at the moment and the design for this project is going to commence in 2009-10, so that is why it is in the forward Estimates. That is not until the next financial year. Even at that stage construction will run through into 2010-11 and the main construction phase of the project will be in 2011-12, so it is right out at the end of the forward Estimate program. Further phases of the infrastructure redevelopment program will include extensions to the education and programs area and the gymnasium, a spiritual centre and the relocation of the prison kitchen facilities from the Ron Barwick Medium Security Prison. This is to accommodate the increasing population of maximum security prisoners within the jail. I think I remember from the day before yesterday Mr Barber saying there were 60 new maximum-security beds.

**CHAIR** - Currently how many are there in maximum security?

**Mr BARBER** - All up, there are 93.

**CHAIR** - We add another 60 and that will make 150 or thereabouts. What is the prison population at the moment?

**Mr BARBER** - As of yesterday, 504. Of those 504, 247 were in the new complex.

**CHAIR** - How many vacant positions are there in Corrective Services at this point in time?

**Mr LLEWELLYN** - Staff?

**CHAIR** - Yes.

**Mr BARBER** - We would have to take that on notice. Is that just correctional officers or the whole Corrective Services?

**CHAIR** - No, just correctional officers.

**Mr BARBER** - We have just gone through another recruitment program. We had, I think, 12 vacancies and we have nine new recruits. That program starts on about the third Monday in July for 13 weeks. At the completion of that we will still be about three or four down.

**CHAIR** - Has there been an improvement or a deterioration in the level of staff turnover? Obviously, Corrective Services is a difficult area to work in; how have things been going there?

**Mr BARBER** - Again, they have been reasonably static. We did see a slight spike because of a number of officers who had been in the system quite a long time, and with the changes recently to the tax laws on retirement. A number of officers who had attained the age of 60 took the opportunity to retire so we have had quite a few retirements during the past 12 months that we probably do not anticipate this coming year.

**CHAIR** - Is the recidivism target likely to be achieved in 2007-08, Minister?

**Mr LLEWELLYN** - Yes. I think the 2008 report on government services demonstrates that the rate of return of prisoners to Tasmania's prisons continues to decline for the third consecutive year. The report demonstrates that 37.1 per cent of prisoners released from Tasmanian prisons, having served a term of sentenced imprisonment, returned to the prison within two years of release. This figure is slightly below the national average of 37.5.

**Mr BARBER** - Some 43.7 per cent of prisoners released in 2004-05 returned to corrections. The return rate counts both prisoners and community corrections and that was slightly above the national average of 43.6. Offenders discharged from community correction orders were much less likely to return to corrections than those released from prison. Some 21 per cent of offenders discharged from community correction orders in 2004-05 returned to corrective services; that includes a prison sentence or community corrections order within two years. Some 14.9 per cent of offenders discharged from community corrections returned to community corrections in the same period.

**CHAIR** - You mentioned a while ago that as of yesterday there were 504 inmates - I presume that is Risdon and Hayes?

**Mr BARBER** - That is the total system. So that is Risdon, Mary Hutchinson and Ron Barwick - all being on the Risdon site; Hobart Reception; Launceston Reception and Hayes Prison Farm.

**Ms FORREST** - Does Wilfred Lopez come into that too?

**Mr BARBER** - No that is managed by Health and Human Services. But we did have 11 inmates in the Wilfred Lopez Centre as of yesterday.

**CHAIR** - Our incarceration rate, how do we stack up per capita with other States?

**Mr BARBER** - I do not have that.

**CHAIR** - If you cannot provide that could it be tabled to the committee - a comparison with other States. Could we also have the figures for people in prison at the moment on sentences of less than three months? You may have that, and a breakdown of their offence categories if we could, thanks.

**Mr LLEWELLYN** - Of the 402 sentenced prisoners currently in custody as at 12 June, 28 are serving three months or less. The sentences are for a range of offences including non-aggravated assault, drug-related offences, burglary, theft, fraud, property damage and various driving offences.

## UNCORRECTED PROOF ISSUE

**Mr WILKINSON** - Home detention: it has been spoken of on a number of occasions in this committee. It still, to me, seems to be a good option. What is happening with that?

**Mr LLEWELLYN** - I have asked the department again. That was out of the sentencing report and I think that we mentioned earlier on that we should look at it again. But I am always reminded that, as in the health service, if you are providing a hospital you employ nursing staff whether you have one patient or 12. There is a certain complement of nursing staff that is necessary for that range. If it goes over 12 then another complement will enable you to get to the next level.

[2.00 p.m.]

It is the same in the prisons; if you had a smaller number of people in the prison you still would require the same staff. So if we reduced the prison population, which would be commendable for a number of other reasons, through home detention it would still not relieve the burden of expenses. It would merely remove some expenses associated with food and those sorts of things, but not the staffing expenses at the prison. So it means that it is a new impost on the Budget. We have modern technology now. Some of the older concepts that have been around for some time with home detention have been augmented and improved, so I think it is worth looking at again but it will require some additional resources. We need to factor that into the next budget in any initiative that we might take.

**Mr WILKINSON** - A pilot program to see how it works?

**Mr LLEWELLYN** - Could be a way through it, yes.

**Mr WILKINSON** - What about costs per day per prisoner?

**Mr LLEWELLYN** - For 2006-07 it was \$214, with the national average costing \$187. It was \$211.90 actual dollars in 2005-06.

**Mr WILKINSON** - Per day?

**Mr LLEWELLYN** - Per day. While the figure appears to be a decrease in the cost per prisoner, in 2005-06 it was \$222.10 in 2006-07 dollars so it actually represents a slight increase in actual-dollar terms from \$211.90 for 2005-06 in actual dollars. In order to calculate the recurrent costs per prisoner per day the following categories of expenditure are used: salaries, superannuation, maintenance, working expenses, grants and subsidies, other services, Consolidated Fund and recurrent receipts such as prison industries, sales and so on. So everything is taken into account.

**Mr WILKINSON** - Are you able to ascertain for home detention how much it would cost per prisoner per day?

**Ms ELIZABETH** - We do have an estimate from South Australia, where static home detention was \$14 per day.

**Mr WILKINSON** - \$14 per day?

**Ms ELIZABETH** - \$14. It is about \$24 with electronic monitoring.

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**Mr WILKINSON** - Right, so per prisoner per day you are looking at \$24 for electronic monitoring and keeping them in prison you are looking at \$211. I know it is a very general comparison, but the comparison is attractive. Is it misleading and, if so, how?

**Mr LLEWELLYN** - It is misleading to the extent that I mentioned before as far as dollars are concerned. It is still going to cost the same amount of money whether or not we take the prisoners out and put them in home detention. The actual \$14 is on top of what we are paying at the moment. However, from the point of view of benefits to the prisoners and society, and also trying to address the re-offending and rehabilitation, it might be money well spent. That is the case we need to put.

**Mr WILKINSON** - How many empty cells are there now with 504 inmates?

**Mr BARBER** - On a facility-by-facility basis, Hayes Prison Farm has a design capacity of 68 and there are currently 50 there. Hobart Reception prison is 36 and there are 29 there. Launceston Reception prison is 28 and there are 19 there. Mary Hutchinson Women's Prison is almost at capacity - 46 capacity with 43 inmates.

**Mr WILKINSON** - That is high from previous years.

**Mr BARBER** - The Risdon Prison Complex, including maximum and medium and the special needs unit et cetera, 297 capacity and 247 there at the moment. The Ron Barwick Medium Security Prison has a capacity of 170 with 116 there at the moment.

**Mr WILKINSON** - It seems to me that if a prisoner is released from prison, and if a job is available for that prisoner upon release, there is a big opportunity for that prisoner not to return to prison. What is happening in relation to finding them jobs, if anything?

**Mr LLEWELLYN** - There are two things in there: a stable job and stable accommodation and circumstances upon their release.

**Mr WILKINSON** - And prison literacy and numeracy programs.

**Mr LLEWELLYN** - Exactly. We are certainly trying to emphasise that side of things in our rehabilitation programs. There are quite a large number of programs. There are a number of people, not enough at the moment, doing technical and vocational education training and that sort of thing. There is not enough connection with business in trying to introduce people into it from that way. However, there is progress being made.

**Mr WILKINSON** - Those programs were initiated a number of year ago. It is still up to the prisoner whether they go forward with the program that they are put into. Previously there was a 60 per cent take-up rate. What is the take-up rate now?

**Mr BARBER** - We are delivering programs from two separate areas. One is the external service providers. We have currently 20 external service provider programs on offer to inmates and 609 inmates attend the external service provider programs. There are also 584 inmates that attended literacy and numeracy programs - that is externally.

**Mr WILKINSON** - That is in the last year?



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**Mr BARBER** - Yes. Prison Service staff members offer seven separate programs and 153 inmates have participated. Some 473 inmates have accessed educational vocational qualifications through prisoner education and training.

**Mr WILKINSON** - Does that still equate to a 60 per cent take-up rate?

**Mr BARBER** - I am not sure what the percentages are; I would have to get those for you.

**Mr MARTIN** - Minister, I had a representation recently from the family of a prisoner. Before I ask the question I just want to make sure that my facts were straight. How do you get into category A?

**Mr BARBER** - The Tamar unit is the behavioural management unit. The inmates accommodated in that unit are extremely difficult to manage. There needs to be an approval by either myself as Director of Prisons or Mr Smith as Director of Community Corrections for an inmate to be placed into the program. Yes, there are three stages in that program. I think that it is A, B and C, with C being the lowest level of privilege and A being the higher level of privilege.

**Mr MARTIN** - Can I describe the conditions as relayed to me and see whether they are right or not?

**Mr BARBER** - Yes.

**Mr MARTIN** - I am told that prisoners live in a small cell that contains a shower, toilet, TV, shelves and a bed. The meals are served in the cell?

**Mr BARBER** - Yes.

**Mr MARTIN** - Breakfast is at 7.30 a.m., lunch at 11.00 a.m. and dinner at 4.00 p.m.?

**Mr BARBER** - I think lunch is about 11.45 a.m. and dinner at 4.45 p.m.

**Mr MARTIN** - Prisoners are only getting one hour a day exercise in an area half the size of a basketball court?

**Mr BARBER** - Up to three hours, depending on the stage. So the lower stage, if that equates to stage C, it would be one hour. Stage B would be two hours and stage A would be three hours.

**Mr MARTIN** - Prisoners only have enough money to buy toiletries and all prisoners are monitored 24 hours a day, so there is no privacy?

**Mr BARBER** - That is correct.

**Mr MARTIN** - I am not passing judgment here. Are you satisfied that the current regime for category C prisoners in the terms I have just described meets Tasmania's obligations under the International Covenant on Civil and Political Rights and the Convention Against the Use of Torture and Other Inhumane Forms of Punishment?

**Mr LLEWELLYN** - I believe that it does. There are various gradations of concern with regard to difficult prisoners, as you know.

**Mr MARTIN** - I would have to say that I do not know what those international standards are and I am not passing judgment. But I would like some confirmation that Tasmania is not in breach of them.

**Mr BARBER** - We are not in breach of them. Both the national and international standard demand that at least one hour out of cell and exercise per day, the right to visits, the right to phone calls, letters and the right to participate in worship et cetera. So we do meet all the standards.

**Mr MARTIN** - Are you meeting the standards of both those two international covenants?

**Mr BARBER** - Yes.

**Mr MARTIN** - Do prison officers have access to disability awareness training?

**Mr BARBER** - Yes. I will be able to supply you with the actual hours of training that have been delivered in the last 12 months. But that is one of the programs that we do.

**Mr MARTIN** - Who is responsible for monitoring the wellbeing of those with an intellectual disability?

**Mr BARBER** - Again, it is my responsibility and I am assisted in that role by a team of prison service staff in therapeutic services, made up of psychologists and counsellors. Also we are supported in the service delivery by correctional health service which is part of the Health and Human Service. So it is my ultimate responsibility but I am certainly supported by Health and Human Services professionals there.

**Mr MARTIN** - Is it true that there is a young woman with an intellectual disability who is held in maximum security without any effort to ensure that she has access to an advocate and someone to assist to her in the prison environment?

**Mr BARBER** - I am not sure on that but I will take that on notice and get the information.

**Mr MARTIN** - Apparently there has been a request for a one-on-one literacy support program for inmates and also those post-release. Have there been any movements in the event of that?

[2.15 p.m.]

**Mr BARBER** - Yes, there have. In relation to the literacy and numeracy program, we have just completed training with a number of peer support inmates who provide some lower level one-on-one literacy and numeracy skills with their peers. Early this financial year we appointed a further two teachers on the prison service staff who provide both one-on-one and group support in relation to literacy and numeracy. The numbers indicate that when you look at both the external service providers that are providing literacy and numeracy, basic education in the prison, and our own staff, there are 584 inmates who attended some type of literacy and numeracy program from the external service providers and 473 attended the program from prison service staff, so there is a good attendance rate.

**Ms FORREST** - I am sure the minister would be aware of the 1999 select committee report into correctional services and sentencing in Tasmania.

**Mr LLEWELLYN** - 1999?

**Ms FORREST** - Yes.

**Mr LLEWELLYN** - Mr Wing.

**Ms FORREST** - Mr Wing's committee.

**Mr LLEWELLYN** - Yes, that is right. He reminded me about that quite a few times.

**Ms FORREST** - I thought he would have. He would not have forgotten I am sure. There were recommendations made in that committee, as I am sure you would be aware, of building two prisons - one in the north and one in the south - and I know a decision has been made to spend money on the Risdon prison in the south. Are there any plans to extend or expand a prison into the north to facilitate rehabilitation for the prisoners who have families in the north and on the north-west coast?

**Mr LLEWELLYN** - The short-term answer is 'no'. The longer term answer is that there has been some thought given to it but that may well be by augmentation of services in Launceston, but that is quite a way out.

**Ms FORREST** - When you say 'quite a way out', what sort of time frame are you talking about?

**Mr LLEWELLYN** - Beyond the current forward Estimates, in the area of 2014-18.

**Ms FORREST** - Are you saying that in that time frame there will be serious consideration given to a northern prison?

**Mr LLEWELLYN** - That is the long-term planning. I have not seen or discussed this issue. I am taking advice from my advisers. I have not looked at that since I have been Attorney-General or Justice minister but that is the long-term plan and you have to plan long term. We will be involved in a staged upgrade of the current facilities at Risdon - in that time span anyway.

The new facility we are talking about now will not be completed until 2012 and then there are the other services that we are looking at. Unless there are some priority changes in the capital program and there is money available in the capital program so we can start those things earlier, that is the schedule that is there at the moment. If some urgency arose and we had a readjustment of priorities then I do not want to close off options or give Mr Wing any -

**Mr WING** - False hope.

**Mr LLEWELLYN** - false hope or information really.

**Ms FORREST** - Are you saying that the recommendations of that committee are not being ignored?

**Mr LLEWELLYN** - No, we are not ignoring them.

**Ms FORREST** - They are not being advanced perhaps until the year 2014 at the earliest?

**Mr LLEWELLYN** - Something like that, yes.

**Mr WILKINSON** - We could perhaps consider the 'Wing wing'.

**Mr MARTIN** - This actually goes back to output group 4, and information that was tabled is clearly wrong.

**Mr LLEWELLYN** - Is it?

**Mr MARTIN** - Yes. I just wanted to clarify it. You tabled complaints statistics for the Anti-Discrimination Commission. Having a quick look, something has jumped off the page. Relationships status complaints were 38 out of 708 for the 12 months up to 2007 and then I noticed they have gone up to 325 out of 672 in the nine months to April. I assume there has either been some extraordinary social catastrophic event or, with quick arithmetic, I do not think that column adds up.

**CHAIR** - Do you want to take that question on notice?

**Mr LLEWELLYN** - Yes.

## **6.2 Community corrective service -**

**Mr WILKINSON** - I understand Community and Corrections are very hard-pressed at the moment - I am speaking about probation officers. The workload of probation officers has increased dramatically in recent times and yet there has not been an extension of staff. They have been doing it very tough at the moment. That is a comment from me, can you assist with that?

**Mr LLEWELLYN** - I can give you an overview on community corrections. They case-managed over 150 offenders under the court-mandated diversion program. A major issue facing Community Corrections is an increase in the demand for services, particularly in relation to the supervision of probation orders and the production of pre-sentence reports. The recurrent funding in Community Corrections this year was increased by \$650 000 on the 2007-08 budget. Funding has enabled additional operational staff to be employed. Seven were employed last week.

**Mr WILKINSON** - Seven probation officers?

**Mr LLEWELLYN** - Five permanent and two fixed-term.

**Mr WILKINSON** - As probation officers around the State?

**Mr SMITH** - In the south.

**Mr WILKINSON** - Well, if seven were employed within the south just recently there must have been a huge need for those seven to be employed because that is a significant jump.

**Ms ELIZABETH** - Those positions that we put in were there, they were just covered in other ways. We put in some community support officers and some extra administration staff and

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we also had to employ casual staff. The workload was being undertaken but by non-permanent staff members. Just recently we filled the permanent positions that had been vacant. They had been filled but not on a permanent basis.

**Mr WILKINSON** - So there has not been any increase of active people on the ground to do the work?

**Ms ELIZABETH** - I think there still will be; it is the way that we are using the staff as well. With the five permanent positions we had pooled some additional funding and moved some community support officers in instead of probation officers. So what we will be getting now is probably an extra two or three probation officers, so that should assist with the workload.

**Mr WILKINSON** - In relation to the work that probation officers are required to do, would you agree with me that their workload and skills base shows a marked difference to what it used to be 10 to 15 years ago?

**Ms ELIZABETH** - Yes, I would say so. With that recognition, the department is reviewing Community Corrections this year to match the skills of probation officers to particular types of work, perhaps changing some of the skills that we select for in terms of our community service order scheme. I think you are absolutely right, in the past it was a one-size-fits-all approach to Community Corrections, with the expectation that all staff could do everything. We are probably looking to a much more role-defined service.

**Mr WILKINSON** - Is it fair to say that probation officers are highly important people within the system because they are the people who monitor the accused once they are found guilty or if they plead guilty in relation to how they are going and whether they are abiding by the conditions that the court imposed. That is a difficult task with the amount of people on the ground at the moment.

**Ms ELIZABETH** - Yes, absolutely. These people are managing community safety and community risk on a daily basis.

**Mr WILKINSON** - In relation to community service orders as well, there were some difficulties with that; I raised this a couple of years ago and my understanding is there are still some real difficulties in relation to community service orders and monitoring community service orders. Is that still the case?

**Ms ELIZABETH** - Yes, it is still the case. It is a scheme that we have recognised for a long period of time requires a review. It was introduced in Tasmania in 1974 and probably has not been reviewed since that time. We have recently engaged KPMG to undertake a total review of the community service order scheme.

**Mr LLEWELLYN** - There are some other things that have been done, too: the review of the community service order scheme that is under way as was just mentioned; the completion of a community corrections manual; full integration of an offender information system; statewide delivery of offender based and group based programs; and implementation of a new risk needs offender instrument.

**Mr WILKINSON** - Am I right in saying, also, that the salaries paid to probation officers are approximately \$10 000 less than what is paid to youth justice workers doing the same work in

children's court, as opposed to adult courts, and that therefore probation officers are hard to attract at the moment because of that pay differential?

**Ms ELIZABETH** - It is true that youth justice officers are paid more if they are paid under the allied health professional award. Our officers are paid under the professional award, however that is being renegotiated at present and they have yet to vote on that. We have not had the losses that we thought we would have to the Health Department and to Youth Justice. We had probably one staff loss to Youth Justice in the last two years and that staff member has returned in the last three months. So perhaps the money attracted that person away but something else must have attracted them back.

**Mr WILKINSON** - I could ask a number of questions in relation to it and I know time is towing us down but my summary of the situation would be, number one, that the probation service is stretched to the limit; two, it needs some assistance; it needs extra people on the ground and extra resourcing if it is to do the job that it is supposed to do. What would your answer to that be?

**Mr LLEWELLYN** - I would agree with that summary. Again, it is a matter of prioritising the budget we have, particularly if we are going to look at new innovative things like home detention - we would need to take into account the resourcing questions associated with that. I intend to work through that issue and in due course we will have some initiatives go forward. Whether or not they are funded by the Government in the budget process, I can only hope.

**Mr WILKINSON** - My only comment would be it is all right having a justice system to deliver justice but if that justice is not monitored and people can escape from the conditions that are imposed it does not have its full effect.

**Mr LLEWELLYN** - No, but it was recognised this year and it has just been pointed out again, as I mentioned earlier, that we have another \$607 000 in the Budget this year - so there was a recognition of it - but not much in last year's budget. If we were to do other things we would certainly have to put more money into this area.

**Mr WILKINSON** - Sure. I agree. Perhaps that is something we can talk about at a later stage next week.

## **Output group 7 Other services**

### **7.1 Supervision of poppy and hemp crops -**

**CHAIR** - Minister, I suppose the budget allocation stayed fairly static for that. The advent of the third process of TPI makes a little bit of difference, I suppose, and the fact that the all poppy processors are chasing significantly more area this coming season - providing it rains in some areas.

[2.30 p.m.]

**Mr LLEWELLYN** - That is right, water is an important question there. TPI was granted and approved a small scale trial initially and now it is off and running. Their extraction

## UNCORRECTED PROOF ISSUE

technology is going to be an important element of where that goes into the future. We have encountered highly competitive global trading conditions in narcotic alkaloids.

**CHAIR** - Things are looking up.

**Mr LLEWELLYN** - Things are looking up, yes. I think that the total morphine-based crop harvested area across the State by all companies this year was 3 415 hectares. That is a lot of hectares. The total thebaine-based crop harvested was 7 272 hectares, so all up it is 10 687 hectares.

**CHAIR** - Which takes a fair amount of supervision. Hemp is a favourite one of yours. Are you growing hemp, minister, these days or not?

*Laughter.*

**Mr LLEWELLYN** - I have not been growing hemp but I have pursued this issue on a Federal basis when I was Minister for Health in the FSANZ forum food industry area. It was an area that the previous prime minister had a particular blind spot for. I think that he single-handedly prevented low-THC hemp being adopted in Australia for consumption as a product whereas every other country in the western world - pretty nearly the whole world - has accepted it is a food product. Somehow or other the ex-prime minister just could not see that it was any good for Australia.

**Mr MARTIN** - But he lived in the sixties - come on, he was stuck in the sixties.

**CHAIR** - I understand that the new Prime Minister has a similar attitude.

**Mr LLEWELLYN** - I do not think so. But we have tried to promote the use of low-THC hemp in Tasmania.

### **Output group 8 Consumer services**

**Mr MARTIN** - The Rentals Deposit Authority was introduced by law three years ago and it is still not up and running. You are in breach of the law.

**Mr LLEWELLYN** - We have had a lot of trouble trying to get it up and running because we have found that it is much more expensive and complex to implement than we thought. Of recent times, Mr Batt has been doing a sterling job. He has been over to Victoria and he has had Victorian people over here; they have been discussing how they can best integrate with Victoria as a cost-effective way of getting it in place much quicker than we might otherwise. I will allow Mr Batt to give you some details about that.

**Mr BATT** - The bottom line is that we have hit some obstacles. One of the obstacles which I did not mention in another place is the fact that we have had two project officers resign, not because of anything that we contributed but simply because the skilled people who do this job are much sought after by other people and they keep getting promotions. We were in fact ready with the system about three months ago and the project officer came in and said he had received a better offer and we have now, after three months, found a new person and we are ready to go.

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The system that we have spent a lot of time and effort in designing will be expensive. We are conscious that the Tasmanian public want something delivered sooner rather than later and so we are desperately having discussions with Victoria about delivering something as soon as possible.

**Mr MARTIN** - What is the projected cost?

**Mr BATT** - We really do not know. The projected cost of the system that we designed will be about \$1 million to build and probably a substantial amount to implement. The cost of adopting the Victorian system we do not know but a very rough guess would be in the ballpark of about \$500 000. But certainly that is a more effective system.

**Mr MARTIN** - Are there funds allocated in this year's Budget to implement this?

**Mr BATT** - We are not relying on funds from the Tasmanian Budget; we are relying on funds from the Property Agents' Guarantee Fund. We have, as I said, spent a significant amount of money already in researching and developing this. Money is not unlimited so we need to be responsible. A restriction on funds is not an issue in terms of progressing this program.

**Mr MARTIN** - Timetable at this stage?

**Mr BATT** - I would not like to give a commitment. Inside a year, but it would be my hope that we can do better than that. I think that is about the best we can offer at this stage.

**Mr MARTIN** - The legal situation: you have a note that says it should have been introduced. Legislation passed in 2005 and it is still not up and running. No legal concerns?

**Mr BATT** - I am not sure there is a legal issue. There is a practical issue and a sense that we would like to do it as soon as possible. Beyond that, we cannot do what we cannot do.

### **DIVISION 6**

(Department of Infrastructure, Energy and Resources)

#### **Output group 2**

#### **Energy advisory and regulatory services**

##### **2.1 Energy policy and advice -**

**CHAIR** - Minister, I will ask an overarching question to start off with, given that you are the stakeholder minister in terms of energy. During the ongoing drought we have been sucking more power from Basslink; can you give us up-to-date figures to the end of this financial year? Do you have current figures on how much energy we have imported through the cable and also the quantum of money that that reflects?

**Mr LLEWELLYN** - As Minister for Energy I have a key role - as you mention, a stakeholder minister - and this includes gas and petroleum products. We need to keep things in perspective, however. Firstly, in spite of the persistent low inflows, Tasmanian electricity customers have not been adversely affected and confidence in Tasmania's energy security has been maintained during this very dry period. It is also worth remembering that even through the last two years and the protracted drought through those years, Tasmania has still obtained over 70 per cent of its electricity energy from rainfall. The fact is that 17 out of the past 20 years have



been drier than the long-run average - by 'drier' I mean lower in terms of energy available from inflows into our hydro system, allowing for changes in the size and efficiency of the system. By 'long-run averages' I mean since reliable records have been kept.

I have kept the public, the Cabinet and the Parliament informed on water storage situations. I recall that we have had calls in the community that we need rain and there is no doubt about that. People have been talking about it in biblical proportions and I think that is something that needs to happen. However, from a risk-monitoring point of view, my first point goes to monitoring and assessing the risks involved. Hydro Tasmania publishes information on its energy in storage on a weekly basis. Those figures that you are talking about are available from Hydro Tasmania. I need to say a few more things about it, but so far this financial year up until 30 May over 2 100 gigawatt hours has been imported over Basslink. This is net of exports. The Bell Bay Power Station has generated 1 020 gigawatt hours. We have been requiring the Energy Coordination and Advisory Committee, which Mr Rutherford chairs, to keep across and monitor the situation and advise me on what we need to do.

[2.45 p.m.]

That committee has met some eight times in the last 18 months and has been looking at the low inflows. The assessment of the risks obviously is complicated. It is affected by projections of energy demand and energy inflows into the Hydro system, where that energy is stored and distributed, the characteristics of the multitude of contributors to energy supply, the run of the rivers, all those sorts of things. The risk management does not mean that we have eliminated all the risks but because the energy has to be affordable the task is to identify, avoid, mitigate and manage those risks in a sensible way. The situation is being kept under review and I have a list of actions that we have taken to date if you want to know about that.

**CHAIR** - Net of export it was 2 100 gigawatt hours, so what did we actually export?

**Mr LLEWELLYN** - Very little; a couple of hundred or a few hundred gigawatt hours at various times for a few hours when the electricity price was at the top end,

**CHAIR** - Can you supply that information to us?

**Mr LLEWELLYN** - Can do, yes.

**CHAIR** - You are thinking it is round about a couple of hundred. The other question I asked right at the start was how much, in terms of dollars, what do we actually spend on imported power through the Basslink cable? Conversely, how much did we gain from selling the -

**Mr LLEWELLYN** - I cannot give you a very accurate figure. I know that is what you are trying to extrapolate but you would have to wait until the annual reports and it might not even be shown in that, specifically.

**CHAIR** - Would Hydro's figures show them up to 31 May, for example?

**Mr LLEWELLYN** - I can give you round figures. The Hydro has let us know that over the last two years probably in the order of \$100 million has been expended on importing power from the mainland and on generating our own power from gas. So in the combination, around that figure each year. That is the value of the water that has not fallen out of the sky, effectively.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Could I still just ask, Minister, if the committee could get figures up to 31 May; Hydro must have those figures?

**Mr LLEWELLYN** - Well, we could ask them to see whether they can provide those figures.

**CHAIR** - If you could, yes, okay. Do you think there is any chance of power rationing happening in the State, given the current situation?

**Mr LLEWELLYN** - Hydro tells us that, and the committee tells me too, they are confident that even with the existing level of rain, and that is consistently low, we will be able to get through the next summer and into this particular period, but we are going to be relying on, shortly thereafter, the Tamar Valley Power Station coming on line. This will be another 201 megawatts plus about another 180 megawatts of standby power - about 381 megawatts available there. We have our own gas fired generators which were designed, as part of the arrangement when Tamar Valley comes on line, to be retired because they are very old. That plant - or the property - is being transferred or sold to Babcock & Brown. But if we were in a serious situation we could renegotiate that and maintain those facilities in the shorter term. That is one of the contingencies that we have been looking at.

Another contingency is to try to increase the power imported from the mainland; currently it is restricted to 478 megawatts and we are looking at ways in which that could be increased by about another 100 megawatts. We can transfer water from Lake Pedder to Lake Gordon. We have Musselroe wind power station in mind and we will be shortly moving into the construction phase of that.

**CHAIR** - What is the commissioning date of that, roughly?

**Mr LLEWELLYN** - That will not be until later in 2009.

**CHAIR** - In the unlikely - well it would be a very difficult event -

**Mr LLEWELLYN** - And rationing is a matter that comes after that.

**CHAIR** - Yes, and I was going to talk about rationing. Have you talked to any of the bulk power users about the fact that there may have to be some rationing? Have you discussed that with any of the bulk power users?

**Mr LLEWELLYN** - I think the bulk power users are as aware as we are with regard to the level of the water in our Hydro system and although I think it was 16.9 per cent a couple of days ago -

**CHAIR** - That was overall 16.9, yes.

**Mr LLEWELLYN** - but it has improved a little bit since then - it is a bit over 17 now and hopefully the rain last night will have increased it again. That is an unprecedented low - lower than it was this time last year, although you will remember last year in May it rained quite considerably. It did not rain this May. Then we got follow-up rains in August, so if we get those follow-up rains in August or additional rain in the winter period then we may be able to match last year. I do not think we should panic people by any means, but we have to be prudent and say that we are in a -

## UNCORRECTED PROOF ISSUE

**CHAIR** - We need about 30 inches through July and August for agriculture as well.

**Mr LLEWELLYN** - We do.

**CHAIR** - Has the government considered providing incentives and subsidies to the distributor of natural gas to encourage a greater rollout of gas to take some pressure off the -

**Mr LLEWELLYN** - Part of the responsibility for rolling out the gas is centred with the Department of Economic Development.

**CHAIR** - Yes, okay. That was just a question I asked anyway because of the situation -

**Mr LLEWELLYN** - You thought you might get an answer.

**CHAIR** - I thought I might get an answer. I did my very best. I am still trying to winkle out these other figures.

**Mr LLEWELLYN** - The thing I will say about gas, though, is that the pipeline from the mainland has the capacity to meet all those things that I was talking about. It could be upgraded and the pressure doubled from what it is at the moment, so there is plenty of capacity there for gas coming into the State.

**CHAIR** - I know you gave that overarching average figure of 17 per cent of capacity or thereabouts. Could we have a list tabled to the committee of the actual storages as of now?

**Mr LLEWELLYN** - I get a weekly report about it.

**CHAIR** - Could we put that question on notice to you so it can be provided to the committee?

**Mr LLEWELLYN** - This is on the web site. This gives you an indication of -

**CHAIR** - If you are happy to table it, minister, that would be fine.

**Mr LLEWELLYN** - I will. I will just mention that it gives an indication about all the headwater storages, how they are faring, how the major storage systems are going, where the aggregated power is, and the condition right at the moment. Lake St Clair, Lake King William, current percentage full storage energy is 25.1; Lake Augusta and Great Lake, 16.2. Picking out the lowest - Lake Pedder and Lake Gordon, 14.2. They are very low figures. Some are falling, some are rising.

**Ms FORREST** - Are there any plans for considering new hydro-electric schemes, looking at the renewable energy side of things?

**Mr LLEWELLYN** - Yes.

**Ms FORREST** - Where? On the Gordon below Franklin perhaps?

**Mr LLEWELLYN** - I know the member would be very interested in this answer.

**Ms FORREST** - That is why I asked the question.

**Mr LLEWELLYN** - There has been a decision, and it is progressing well, in regard to Lake Margaret power station. I am confident to say that that is going to be one of the very early parts of the incremental addition to the system from a renewable energy point of view.

**Ms FORREST** - How many megawatts are we expecting out of there when it is up and going?

**Mr LLEWELLYN** - I think it is 14 megawatts from the existing power plant. A new wood stave pipeline will be constructed. There are many hydro schemes that have been looked at in the existing system but in aggregate we are trying to achieve an additional 1 000 megawatts.

**Ms FORREST** - So no new power stations, they are upgrades of existing ones?

**Mr LLEWELLYN** - Yes, upgrading and refurbishment of existing facilities and the construction of new small mini schemes. It is not 1 000 megawatts because that would be a really good contribution. There are 1 000 gigawatt hours, which does not constitute 1 000 megawatts average power. This 1 000 gigawatts entails canal maintenance, conveyance structures, turbine runner upgrades, dam raising and storage developments, potential enhancements during station redevelopment, small hydro projects, control and operation of improvements, marketing tradeable products and strategies, water projects and any other projects that deliver additional energy. The Lake Margaret power station comes into two of those - potential enhancements during redevelopment and small hydro projects.

**Ms FORREST** - The King Island solar power project is pretty impressive and seems to be delivering some results. Is any consideration being given to expanding not only that site but also other sites within Tasmania?

**Mr LLEWELLYN** - I think there was consideration for Flinders Island from the point of view of the lessons learnt on King Island. It is very positive. There are also some other private and independent developments mooted over there, too, in the line of wave power and that sort of thing.

**Ms FORREST** - We are not looking at solar power panels being put into mainland Tasmania at this stage?

**Mr LLEWELLYN** - Yes, an announcement was made in March this year regarding the introduction of feed-in tariffs, which are incentives for people installing photovoltaics and small wind generators. They are payments that are made to householders and sometimes to small business. I think there is one in your area with Nichols Poultry.

**Ms FORREST** - That is not in my area, but it is close.

[3.00 p.m.]

**Mr LLEWELLYN** - We are considering that.

**Ms FORREST** - Does that extend to solar hot water systems that households put in, a rebate or subsidy?

**Mr LLEWELLYN** - Yes, it will eliminate power that is being used in the house, the solar hot water, but it cannot feed back power into the grid.

**Ms FORREST** - Can you feed power into the grid?

**Mr LLEWELLYN** - Yes, and the Government is keen to encourage renewable energy. While we do not have mandated legislation in regard to tariffs, Aurora have implemented tariff arrangements for customers who have invested in renewable energy generation and can export to the grid. For customers with system under 3 kilowatts, Aurora pays the same rate as the relevant tariff for net exports of electricity and this is considered to be higher than the wholesale rate and better than some of the rates that have been offered on the mainland. So that is an incentive for people to do that. They could offset their total bill if they were to install 15 kilowatts of solar. That is a big installation. They would be able to feed more back into the system than they would use on their own home.

**Mr WILKINSON** - Briefly, in relation to water capacities and dam capacities, a couple of years ago we were told that 21 per cent was getting a bit low. It appears to be 16.9 per cent to 17 per cent now.

**Mr LLEWELLYN** - 10 per cent is getting about the right level I think.

**Mr WILKINSON** - When should we start to become spooked at the level?

**Mr LLEWELLYN** - That is an issue that has been subject to some debate. But I think the Hydro have told me in their storages that they would not contemplate going below 10 per cent.

**CHAIR** - Any contingencies if something went wrong with Basslink, which, heaven help us, would not or our -

**Mr LLEWELLYN** - We say we have a capacity at the moment and those factors that I gave you before would enable us to run at least for three months ahead on the water reserves we have at the moment. That takes into account that contingency. In our contracts with Basslink we have arrangements that if, for some reason or other, they are torpedoed with the Basslink cable and it has to be repaired, it may well take that long to repair it. That is why that factor is there.

**CHAIR** - There are certainly some risks out there at the moment?

**Mr LLEWELLYN** - Yes. That is one of the high-risk issues and certainly, between now and when the Tamar Valley power station comes on line, it is of concern. So we have 12 months, pretty near, with our fingers crossed about Basslink, I suppose.

**Mr WILKINSON** - Secondary to that is, as you say, 10 per cent is the figure stated by -

**Mr LLEWELLYN** - That is what they have told me for the dam

**Mr WILKINSON** - That is probably going to cause a shutdown, otherwise you have difficulties because of what you have mentioned and 16 per cent is low. When do your restrictions start to come in, at what level?

**Mr LLEWELLYN** - It is more complex than the volume thing and I have mentioned other rivers and those power stations that rely on that. Our system has some 20-odd power stations connected to it and we try, when there are winter flow waters in the river systems, even if they are not being accumulated in the lakes, to take the maximum flow through the river systems, otherwise the water is wasted over the spillways. That is in the order of the comments I made before about the extension of the capability of Basslink to import, the provisions we have for extra water from Lake Pedder, the renewable energy issues and energy conservation. I will ask Rob to outline a little more about that because he is the chairman of that committee.

**Mr WILKINSON** - I am probably being a bit simplistic when I say 'capacity' but that is what we have been speaking about now for a number of years - 21 per cent now down to 16.9. Ten per cent is the trigger; when would we start to impose restrictions and other -

**Mr RUTHERFORD** - I can well remember in a previous life advising a previous Premier that the time had come to ration and he did not take any notice of me and the heavens opened. So I am hoping that there will be similar circumstances

**Mr WILKINSON** - He probably had a word to the bloke upstairs rather than the Premier.

*Laughter.*

**Mr RUTHERFORD** - Obviously I have a statutory duty under the Energy Co-ordination and Planning Act to monitor this situation and advise the minister. I think that members have correctly identified that the key risk is the loss of the link in present circumstances, a catastrophic event in other words. We are talking to Hydro, constantly looking at the probabilistic model that they have developed on the risks going forward. They are under requirements of course for prudent water management and it is our job to give that some independent scrutiny, look at the probabilities, and advise the minister whether other actions are required.

At the moment we have had a very bad year where the output from the Hydro so far is about 7 500 gigawatt hours in this very dry year. Under a normal average and taking into account the Hydro's analysis of a structural break in the data, which suggests we have entered into a longer term drier period, they have conservatively rated the system at 9 000 gigawatt hours per year, so that gives you a measure of how a bad year compares to the long-run average.

We have a demand that is travelling at about 11 500 gigawatt hours per year, to give you a notion of the gap, and the minister outlined earlier where that gap between the 7 500 and the 11 500 would be made up by imports on the link and gas-fired generation.

The important thing to get hold of is that, presuming that we have the link and presuming we have the gas-fired generation, even if we have another terrible year like the one that we have just been through we will have enough energy to meet demand. However, of course, there are risks and we need to prudently look at a range of measures in a staged approach before we get to anything as profound as invoking emergency powers and rationing. That, in the first instance, has meant a rigorous examination of the things by which we can stretch generation. You will have noted, again, I am sure, from the minister's earlier remarks, that in effect the bringing into service of the Tamar Valley power station effectively would bring us up on a normal year to an on-island electricity neutrality. Add the Tamar Valley to the normal output of the Hydro and essentially we have an electrical system in demand-supply balance. I want to say that because it is about managing this drought situation and that shows you, in effect, how we are using the link for the

purpose. It was always one of its insurance capacities which has, unfortunately, come home. When you have to call on your insurance policy it is never pleasant, but it is there.

We have been looking at a number of actions and I think people, perhaps, do not appreciate that some of this is at a micro level. A lot of the work that Transend has done and that we have been monitoring has been to ensure that we can indeed import frequently at close to capacity. The link is a very complicated piece of engineering based on dispatch engine with these equations and so forth in. You have to very carefully check all the constraints to make sure the thing is running and can run at capacity and that has certainly helped us and will continue to help us in the year ahead. So, in a sense, we start the year ahead better equipped to use the link than we started the previous year.

The minister outlined a range of other things that we are progressively doing. Obviously we do plan in the last resort for rationing but that is very much a last resort and you need the coming together of two things. You need a catastrophic event to come on top of another year as bad as we have just had before you would get to that point.

I know, also, that some of our big customers have been very cooperative in how they have approached the issue of assisting us with imports over the link because some of them have contractual rights to which they could exercise to step outside. I am thinking in particular of Rio Tinto's smelter at Bell Bay. Only in the last month I managed to make myself say Rio Tinto and not Comalco because the habits of 25 years or so die hard. They have been willing to come back into the protection system which governs the extent to which we can import. That is not without difficulty for them and that shows that the big customers, as in the past, have played a part in helping us manage the system. Of course, I am not saying there is not a healthy dose of self interest in that. They are in the boat with us and they are well aware of it. So I do not know whether that gives you the flavour of what we are doing.

**CHAIR** - Thank you, Minister.

**The committee suspended from 3.13 p.m. to 3.30 p.m.**

### **Output group 3 Mineral Resources management and administration**

#### **3.1 Minerals exploration and land management -**

**Ms FORREST** - Just as a way of an overview of the mining industry at present in Tasmania, the budget papers provide a description of the impact of the mining sector and the relative impact and/or benefits of the industry to Tasmania's economy. There are a couple of descriptions in budget paper 1 and I want to read out short parts of those. In one section it says:

'The mining sector of Tasmania is not as significant as the resource rich states of Western Australia and Queensland. Tasmanians therefore have not benefited from the global commodity boom to the same extent as these states'.

Then later in the chapter that is looking at revenue it states:

## UNCORRECTED PROOF ISSUE

'Other revenue for 2007-08 is anticipated to be \$93.3 million, an increase of \$15.1 million above budget estimate. The increase is primarily due to the additional mineral royalty receipts of \$8.3 million reflecting strong commodity prices on the world market for mineral resources'.

Those comments seem to be in contradiction with each other in some respects. I ask you as the minister responsible what you really believe the value and impact the mining industry has on the economy of Tasmania in light of the fact that this year \$33 million was paid in royalties and are expected to increase by nearly \$10 million to \$42.7 million in the next financial year.

**Mr LLEWELLYN** - I do not think it contradicts; it is just a matter of magnitude really. If you look at the magnitude of iron ore sales and so on in Western Australia as against the sort of levels we have in Tasmania then you can justify having said that but nevertheless we are going through a boom period from the point of view of metal and mineral exploration.

Of our expenditure in the department, the Bureau of Statistics in 2007 said expenditure was some \$27.4 million - this is exploration and so on - and mineral resources with our own data show a figure of \$38.1 million. Of the MRT figure, \$18.5 million, just under half was spent on exploration licences which is an increase of 26 per cent on the previous year.

In regard to the overall benefits for Tasmania, in 2006-07 mining and mineral processing production was worth over \$2.8 billion and the sector was responsible for 53.5 per cent of Tasmania's export income so you can hardly say that is a small part.

**Ms FORREST** - I agree with that comment, Minister, it is just the way it read in the budget papers. It seemed to be downplaying the impact of the mining industry on the economy of Tasmania and relying on other things in preference.

**Mr LLEWELLYN** - I do not think that is the case but Dr Brown might have a bit more to say about it because he probably wrote part of that.

**Ms FORREST** - That was in the Treasurer's section I will just say.

**Dr BROWN** - It is a balance between area and price plus commodity. Queensland has large areas of coal, probably about 10 times the size of the State of Tasmania. We have basically base metals. If you look at Western Australia again you could probably put about three Tasmanias in the iron ore province so what you have are large areas in those other two States. Australia-wide everything is high and we are relatively lower. Western Australia's royalties are about \$280 million compared to our \$40 million but again you have to remember Western Australia is 33 times the size of Tasmania and they have the large iron ore plus their nickel and other base metals whereas we mainly have base metals.

We are running very well on the base metals. The commodity price is going well. Royalties are up because of the profit component kicking in for the mines. We are now on average receiving 2.61; the national average for 2005-06 was 2.61 of sales value compared to an Australian average of 2.7. So when you start looking at apples together and oranges together then we are doing this very well, but when you have to compare Australia-wide to Tasmania the wording does tend to get a little misleading. But I am glad you said it was from the Treasurer's office and not from us.



*Laughter.*

**Ms FORREST** - One of the activities in this area is to promote mineral opportunities in Tasmania. Can you provide some detail, Minister, on how that has been achieved in the last year?

**Mr LLEWELLYN** - Mineral exploration is obviously a global competitive enterprise so Tasmania has to be proactive in raising our profile to increase investment in the State. We have a multipronged strategy to attract and increase the effectiveness of exploration. That includes enhancements of the TIGER system through the four-year TasExplore project, which is providing new geoscientific information over the north-east and north-west; updating the 3-D geological model and prospectivity analysis of Tasmania; provision of seamless digital geological maps; provision of information from a wide range of modern data collection programs delivered by the www; drill core held in the core library at Mornington. I think this infrastructure provides a set of tools that are used to promote the advantages of investing in Tasmania to Australia and overseas exploration companies. The annual promotional program is also yielding results in the form of new investment and projects in the State.

**Ms FORREST** - So what does the promotional program involve?

**Mr LLEWELLYN** - I will go through that. This is demonstrated by a positive perception of world exploration mining companies to Tasmania. You can demonstrate that by the Canadian Fraser Institute report, the development of Avelbury nickel mine, the redevelopment of the Renison Bell tin mine, the Que River zinc-lead-silver-copper-gold mine and the initiation and positive results of several new exploration and development projects. During 2007-08 the program has included promotional visits to mineral exploration and mining companies' head offices in Australia and overseas, attendance and promotion of Tasmania at a booth on the Australian Pavilion at the world's largest mineral exploration showcase, the Prospectors and Developers Association of Canada International Convention. You might be able to get a bit of overseas travel and go to some of these things.

**Ms FORREST** - You will have to take me next time.

**Mr LLEWELLYN** - The trade show and investors exchange PDAC in Toronto, Canada - there are a lot of things happening in Canada; it is a good place to go - during March 2008. This is the 76th PDAC convention and attracted a record attendance of 20 000 attendees from over 100 countries. Attendance and delivery of a presentation at an Australian mining investment seminar held in Tokyo on Tuesday 26 February 2008 was attended by some 70 senior executives from Japanese companies and organisations. Attendance as part of the Australian delegation at Asia's premier mining congress, China Mining, CM07, in Beijing. The congress is an essential networking platform for foreign and domestic players to benefit from China's increased demands as the world's largest consumer of most metals and minerals. As a member would be aware this is driving the resource boom in China. In addition Mineral Resources Tasmania continues to work with the Tasmanian Minerals Council on their mineral exploration meeting and annual conference.

I understand - and this where you need to come in and get a bit of inside information - that an ambitious program is being developed in 2008-09 to continue to promote Tasmania's mineral prospectivity.

**Dr BROWN** - The 2008-09 program is going to have similar business to what we have had in 2007-08 - PDAC and China Mining. Before China Mining we will be going to a major Indian

conference with 'Team Australia', so we are not just doing it by ourselves. We are getting cost-effective use of the Australian Government's help through a couple of their agencies, plus work with Geoscience Australia. All the States work together through the Chief Government Geologist's Conference which is part of the Ministerial Council.

So we will be going to PDAC and we will go to Tokyo on the way. We will go to India on the way to China Mining. We will also be working with the Mineral Council and we will be visiting every capital city in Australia where there are companies with head offices. Wherever we travel overseas we always call into any head office of a company that has a major exploration project or mine in Tasmania.

We try to keep in touch with all the people that are working here as well as promoting our work through the conferences. The simplest way to do our work is using the 3-D model. Having that continually upgraded is best for Tasmania because a lot of the companies are telling us that, by the use of the GIS package that we put together and the compilation of all the data that is in there, we are taking 12-18 months off what used to be the standard exploration program.

**Ms FORREST** - So where is the 3-D TIGER modelling up to? I know that we are doing the north-east and the north-west at the moment.

**Dr BROWN** - The new data for the north-west and north has been completed. King Island is underway, the north-east is going over the next two years and then the model will be upgraded. We can upgrade our databases, which are the underneath side of it, but we cannot change the model as we go along. Software is not available at the moment to do that. So we physically upgrade it every few years.

**Ms FORREST** - When do you expect the next upgrade to be?

**Dr BROWN** - The next upgrade should be in two years time.

### **3.2 Tenement management of the exploration and minerals industry -**

**Ms FORREST** - Can you provide details of where exploration is occurring in Tasmania?

**Dr BROWN** - Exploration is occurring on the west coast from south of Macquarie Harbour up to the Smithton area and long the north-west coast to Beaconsfield. There are activities in the north-east. That is for base metals and gold. We have other activities for non-metallics such as magnesite and dolomite in the north-west. On King Island we have exploration following up from the mineral sands and some further work on the King Island scheelite. Then we have geothermal all across Tasmania: one on the eastern side, one group on the western side and one with a bit of each. We have oil and gas on-shore and off-shore. It is very hard to say where, exactly, the mine is. It is basically anywhere that is outside the World Heritage area.

[3.45 p.m.]

**Ms FORREST** - Has there been any progress or any advancement in geothermal drilling?

**Mr LLEWELLYN** - Again, we can give you some details on that, but there has been. Although the horizon is a little way out, there are very high level prospects associated with that. There is a granite deposit down through the central area between George Town and Conara and there has been a lot of prospectivity on that. That is fairly deep. There is some in the north-east

and some on the north-west. KUTh Energy is the one that has done more in that area. We are getting very positive results. They measure the amount of heat that is going out of the ground by way of milliwatts per square metre. That is the measurement that people use to see what the prospectivity is. They drill holes to see that gradient as you go deeper.

At the moment the results that are being obtained in various advantageous sites in Tasmania, particular the one around Conara, is in the order that people are talking about with prospectivity in South Australia in the Cooper Basin region. Because we are adjacent to transmission lines, the relevance and importance of those prospectivity results are more important in Tasmania than they are over there because it is going to cost a lot of money-

**Ms FORREST** - It is more likely to be viable isn't it?

**Mr LLEWELLYN** - Yes, 1 000 kilometres worth of transmission line or whatever. So they are in the order of 80 to 90 milliwatts per square metre, which is pretty high. At the moment they have drilled wells, but only relatively shallow wells. One is 600 metres or in that order.

**Dr BROWN** - 600 metres at the moment. What they are doing is about 20 holes per grid and then they will pick the hottest areas and put a couple of two-kilometre holes down to start testing deeper.

**Ms FORREST** - Do we have a time frame for when we might be seeing some results, whether it is going to be a successful and viable option for power generation?

**Dr BROWN** - I am fairly optimistic within five years. But, again, it is a commercial issue and not one that the Government can take.

**Mr LLEWELLYN** - We do have some promotion in the *Australian Journal of Mining*. You will find some quotes from Dr Brown and a few other people in there. It does give us an indication of the buoyancy of mineral exploration and sales in Tasmania.

**Ms FORREST** - The latest ABS figures released in March this year show that there has been a fall in exploration in Tasmania, down \$0.5 million or 6 per cent. It is the only State in Australia where there was a fall in exploration.

**Mr LLEWELLYN** - Do you remember me saying that we cannot understand how their figures line up because they say \$27.4 million, yes, and we say \$38.1 million so -

**Ms FORREST** - So why is there a discrepancy in the data? Where is the data collected?

**Dr BROWN** - In the last six months we have had a ABS outsource officer working with us to try and find out and it basically is that MRT's data is correct because that comes on a quarterly return on the exploration licences. Our figures add up all the exploration licences on a quarterly basis to get that yearly basis; the ABS figures come from a head office company on an annualised basis and how that company has worked this out I do not know. But we have found out that they miss some of the smaller companies who actually work on the exploration. We are trying to work with ABS now to be able to use our figures for the future so there is no confusion.

**Ms FORREST** - So you are quite confident that exploration will continue to grow in Tasmania at the moment, then.

## UNCORRECTED PROOF ISSUE

**Dr BROWN** - Exploration activity is continuing to grow, yes.

**Ms FORREST** - Yes. When times are good in mining and the industry generally, that is the time to be exploring, so it would be concerning if it was diminishing at this stage. You are confident it is not. That is what you are saying to me?

**Dr BROWN** - Sometimes the dollars do not reflect the activity. Because if you have, say, a lot of new exploration tenements being put out, like we have been lately, they take a while to ramp up whereas other ones that are mature will start the drilling phases and then that will be a higher cost. So you do have undulations in the actual expenditure.

**Mr LLEWELLYN** - According to the ABS for 2007 it was, as I mentioned, \$27.4 million and then that, as you rightly point out, has slightly increased on the 10-year high of \$27.8 million in the previous year but these figures are a vast improvement on those as recently as three years ago. For example, in 1999 to 2005 the exploration expenditure never exceeded \$10 million and in 2001-02 was as low as \$4 million.

**Ms FORREST** - Looking in the Budget papers here, and the description of this output group under 3.2:

'This output ensures the responsible management of the State's mineral resources and a fair and sustainable return to the community when mineral petroleum resources are developed through regular inspections of mining tenements and evaluation of environmental performance and resource production.'

And it goes on further. I just ask that, or suggest that, performance information does not provide any information at all about how many inspections are taken, what levels of compliance there are, what actions have been taken, if any, in case action or attention was needed. Is it possible to have that sort of information? This is obviously a role of this area, to carry out those inspections, so can we have some details about that; the compliance; how many tons were taken and the levels of compliance, and what actions were needed or taken?

**Mr LLEWELLYN** - I do not know whether it is possible to -

**Ms FORREST** - Maybe they could be provided later.

**Dr BROWN** - All major mines and anybody paying royalties over - I will get some information from Matthew Fitzgerald, our financial officer who does the royalty returns. All major mines are audited for any variations and the quarries above -

**Mr FITZGERALD** - The audit program at the moment concentrates mainly on the metallic mines which provide the vast majority of revenue to the State. Last financial year of the \$41.4 million we collected in royalties, \$40 plus million of that was from the metallic mines and that is where the royalty audit program concentrates. We do a few of the non-metallics but some of the larger ones would provide \$20 000 or more in royalties per annum.

Are you also interested in the lease inspections?

## UNCORRECTED PROOF ISSUE

**Ms FORREST** - Yes.

**Mr FITZGERALD** - That is not an area I directly deal with but we can -

**Dr BROWN** - We can get that -

**Ms FORREST** - So you will get that information about the lease inspections?

**Mr FITZGERALD** - Yes.

**Ms FORREST** - So is that information of the reporting on this inspection and audit process and levels of compliance? Is that an area that would be recorded in their annual report, if not in the budget papers?

**Mr LLEWELLYN** - It can be and we will see what is available and what is possible. I am not sure what will go in the annual report. I need some advice about as to what would be possible in the annual report or -

**Dr BROWN** - Again, annual reports are an overview. They are not detailed like that; we can get it but we do not have it at the moment for reporting purposes.

**Ms FORREST** - The Auditor-General has made comment regarding a number of government areas, that their reporting of KPIs and related information that should be able to be tracked between budget papers and annual reports is lacking and there is not a flow-on relationship between the two. This being one of the identified major functions of this output group would suggest this is the sort of information that should be reported at least in the annual report if not in the budget papers.

**Dr BROWN** - The Auditor-General's comments are being worked on and followed up at the moment.

**Ms FORREST** - We hope to see some meaningful KPIs in the annual report.

**Dr BROWN** - You will be able to see different ones.

**Mr RUTHERFORD** - One of the criticisms that is frequently made is that we measure activities, not outcomes, and one of the difficulties is that things like numbers of inspections are not outcomes.

**Ms FORREST** - I asked the number of inspections but then what the compliance figures were and what actions were taken. That is your outcomes.

**Mr RUTHERFORD** - So that is what we are focussing on, building measures that are focussed on outcomes.

**Ms FORREST** - What work is being done in the last financial year in regard to rehabilitation of abandoned mine sites?

**Mr LLEWELLYN** - The rehabilitation of abandoned mine sites is undertaken in accordance with a program agreed by a committee of government agencies together with land managers and

industry. The committee priorities work to be funded from the Rehabilitation of Mining Lands Trust Fund which is established under the Mineral Resources Development Act 1995. The program for 2007-08 is completion of a three year mine shaft capping program at Lefroy to stop people falling down the mine; mine shaft capping in the Dennes Reserve near Pipers River. Been to the Dennes Reserve, have you?

**Ms FORREST** - No, not in my electorate.

**Mr LLEWELLYN** - That does not mean that you should not go there. There is safety work, barrier and grate at Warrentinna; a 3 hectare revegetation a program at Storeys Creek - that is a good place to go too; and maintenance of previous revegetation programs, mainly at St Helens. That is 2007-08. The program for 2008-09 will include installation of grating added at the Crown Prince Mine, Mt Victoria; installation of the main Corinella mine shaft at Warrentinna; removal of an abandoned mine camp at Denne Reserve near Pipers River; the restart of remediation on mark mine tailings at Royal George; revegetation at the former Argonaut mine St Helens and weed management at Punks Terror quarry, Dunorlan, and Badger Quarry, Sheffield.

**CHAIR** - That is frightfully important. Epicentre of the universe.

*Laughter.*

[4.00 p.m.]

**Mr LLEWELLYN** - It should be noted that in a number of cases rehabilitation is also being assisted by new mining activity at previously-abandoned sites - for example, the mine at Mount Bishop. In all of the new mines that are established these days we make sure that in the granting of licences that rehabilitation is factored in so that at the end of their life they are rehabilitated at the companies' expense and does not have a public expense involved in it.

#### **Output group 4 Support for the Minister for Energy and Resources**

##### **4.1 Support for the minister -**

**Ms FORREST** - Is support for the minister just in regard to the area of resources? Last year the funding was available for the Minister for Economic Development and Resources; this year it is the Minister for Energy and Resources, which is yourself. Does the funding hang off the resources area? Why does this area get support that other areas do not?

**Mr LLEWELLYN** - Policy support and support in general. We rely on Mineral Resources Tasmania and the Department of Infrastructure, Energy and Resources to provide that support. It is not in DIER; it is not a huge component from the point of view of energy, mining or forestry, but it is an important one.

**Ms FORREST** - So it hangs off the resources area?

**Mr LLEWELLYN** - Yes.

**DIVISION 11**  
(Department of Primary Industries and Water)

**Mr LLEWELLYN** - The Treasurer in his budget speech talked about opportunities provided by sharing ideas, working together and looking to the future. He talked about how this Budget provides for the present and the maps a path for Tasmania's future. This includes developing a clever Tasmania; new ideas; policy based on best available information; advice and technology; building capacity in Tasmania's economy; and supporting sustainable economic growth.

The Department of Primary Industries and Water is making an important contribution to both the present and future successes of Tasmania by ensuring that effective management of our land, water, plants and animals happens. It is summed up in the department vision statement, 'Tasmania prospering from our natural advantages' and I think that is a very appropriate vision statement.

The department has around 977 full-time equivalent staff operating at locations around the State. They are skilled, working in a variety of professional, scientific, technical and clerical administrative roles. In lots of different ways they are contributing to the development of a clever Tasmania through research and policy development, land and resource information, assessment services, licensing compliance and monitoring activities, to mention just a few.

You would already be aware of the initiatives outlined in the Budget. The major one is the Government's \$80 million water infrastructure program and the \$12 million allocation to help save the Tasmanian devil.

I do not propose to talk about them now. But I am sure members would want to ask a few questions about those in the output groups. But what they do represent is recognition of the value and the skills and capabilities of the DPIW and the services it provides for Tasmania.

**Output group 1**  
**Information and land services**

**1.2 Valuation services -**

**Ms FORREST** - This area looks at land tax valuations and that issue. There have been some challenges for some people where they have applied for revaluation and have not heard from the department. What is the normal time frame?

**Mr GODFREY** - The Office of the Valuer-General, in doing the task it needs to do, including objections and other valuation works, adjustment factors for rates, taxes and land tax and with the scarcity of qualified valuation staff, is stretched to the limit. We endeavour to get the objections out as quickly as we possibly can in terms of the revaluations which I think you were referring to. At the moment I do not have any details in front of me about the outstanding objections, but we do endeavour to get them out as quickly as we can. We also ensure that councils get supplementary valuations in a timely fashion because that impacts on their revenue.

**Ms FORREST** - Are you able to provide a list, at a later time, of the outstanding revaluations and how long they have been waiting?

**Mr GODFREY** - The objections, is that what you are talking about?

**Ms FORREST** - Yes, the objections or requests for revaluation. People are objecting to what the valuation is, otherwise they would not have asked for a revaluation.

**Mr GODFREY** - Yes, we can undertake that.

**Ms FORREST** - A further matter on that one. You mentioned the impost on local government. There has been some claim that local government have had to refund significant amounts to ratepayers who have challenged their valuation, had a downward variation and now local government bodies are having to repay significant amounts of money. Is that the case and what is the Government doing to actually address that issue?

**Mr LLEWELLYN** - Did I hear you right - that the Government is paying back certain amounts of money?

**Ms FORREST** - No, the local government bodies have to repay the ratepayers when they have had a downward revision of their valuation.

**Mr GODFREY** - Yes, in terms of objections coming through, depending on the timeframe it takes, if an objection results in a new valuation which may be a lower valuation than what it was before, then councils may be in a position where they would have to reimburse some of the rates that have already been paid. I have the amount of objections that have come through compared up to the ones that have been successful. I think you are probably alluding to the situation on Central Coast?

**Ms FORREST** - Yes.

**Mr GODFREY** - At the moment, of the nearly 90 000 valuations that were conducted we received 1 300 objections, of which 790 were successful. So about 57 per cent of the objections received are successful. In terms of the Central Coast, the Acting Valuer-General has sat down with the Central Coast Council and gone through the reasons for the number of objections which had been successful and the impact of that. They range from matters relating to the fact that for a number of properties we were not advised of alterations that had been done inside or outside. Until we get an objection we could not go inside to inspect those properties in more detail. But the long and short is that we have sat down with the Central Coast, explained the situation, provided them with details as to why and I understand they are now satisfied.

**Ms FORREST** - Were most of those valuations revised downwards or upwards?

**Mr GODFREY** - I have not got the breakdown of whether they were up or down, but of those 1 300 objections, nearly 800 were amended.

**Mr WILKINSON** - You would assume they would be down, though, would you not?

**Mr GODFREY** - No, in some cases they go up, but it is probably rarer.

**Ms FORREST** - From the comments you made you would assume they were going up, because you were not aware of improvements in the property so you would expect them to go up, and hence the council would not be paying back rates. They would actually be asking for more.

**Mr GODFREY** - That is right. What I am saying is that the majority of the amendments would be going down rather than going up.



## UNCORRECTED PROOF ISSUE

**Ms FORREST** - Can you provide that detail of the breakdown of the variations, whether they were upwards or downwards?

**Mr GODFREY** - I will try to.

**Ms FORREST** - Because the point you are saying does not hold true to the rest of the story. They are being asked to pay back money because that would have resulted from a downwards variation not an upwards variation.

**Mr GODFREY** - I think the case you are alluding was one particular valuation.

**Ms FORREST** - \$50 000?

**Mr GODFREY** - In the Central Coast, of the 358 objections it received, 193 were successful.

**Ms FORREST** - But we do not know whether they were successful through rises upwards or downwards.

**Mr GODFREY** - I have not got that statistic, but I can get it.

**Mr WILKINSON** - Can I ask whether those evaluations were done by Tasmanian valuers or were they subcontracted out to a Victorian valuer?

**Mr GODFREY** - If I remember correctly, the north-west coast was done by IT Valuation, which is a Tasmanian firm, but they do employ mainland valuers.

**Mr WILKINSON** - Because that caused a problem, did it not? The mainland valuers that came to do some valuations did not go around the properties, as I understand it; they looked at what properties were selling for in the vicinity and therefore valued properties accordingly.

**Mr GODFREY** - There was that issue in previous years with valuations but we have now put in place a number of mechanisms, particularly with the advent of the adjustment factor. We are able now to have better controls and QA over those contractors, but the major contractors are mainland contractors, yes.

**Mr WILKINSON** - So that problem that caused a bit of angst when it occurred, more than a bit, has been fixed?

**Mr GODFREY** - We are hoping that it has been fixed; I cannot guarantee you that it had all been fixed but the new round of valuations being done now will be the testimony to that. The amount of objections that we did receive from the previous one was a lot lower compared to the time before so there is an improvement.

[4.15 p.m.]

**Mr MARTIN** - My understanding is that most valuations are revaluations just done by calculation. What percentage would be actually be done on site?

**Mr LLEWELLYN** - It depends on whether or not you are talking about revaluation of districts or individual cases.

**Mr MARTIN** - Of districts, basically.

**Mr GODFREY** - The contracts require the contract valuers to physically inspect all properties involved in a revaluation from the outer boundary of the street.

**Mr MARTIN** - Right, okay.

**Mr GODFREY** - They have not got the authority to go onto the property to inspect it. They can only view it from the street, see what is around, and take the best information the council can give as to any improvements or modifications to that building. Then they make that decision. When we get an objection we then go and personally interview the person and sometimes we end up going through the house to look at the reasons why.

**Mr MARTIN** - I did not even realise they did that much.

### **1.3 Service Tasmania -**

**Mr MARTIN** - How many Service Tasmania outlets are there now and are there plans for any more?

**Mr LLEWELLYN** - There are 27 at the moment and the matter of whether or not we have additional Service Tasmania shops is actually the province of the Department of Premier and Cabinet because the policy unit for Service Tasmania resides in that particular portfolio. The operations from the Department of Primary Industries and Water point of view is that we actually start and operate the Service Tasmania facilities - so we do all the work - but the policy involved in this originates in the Department of Premier and Cabinet and always has.

**Mr MARTIN** - Should I try and understand the logic behind this?

**Mr EVANS** - Because it is a whole-of-government service the overall Service Tasmania program is co-ordinated through Premier and Cabinet under the direction of a board and that board has representation or membership from across a range of departments. It is important to recognise that Service Tasmania is more than just shops; it is also the online telephone delivery of services as well.

**Mr MARTIN** - What is the percentage of inquiries between over the counter and phone/IT?

**Mr EVANS** - We probably would not have those statistics. We are responsible for the operations of the shops themselves but other agencies are responsible for the electronic parts of Service Tasmania.

**Mr LLEWELLYN** - I can tell you about shop-opening hours, shop operations, OH&S, and security issues.

**CHAIR** - Mr Martin's eyes just glazed over.

**Mr MARTIN** - The only thing I am left wondering, though, is why have you got control of just the shops? Why is it not all under DPAC?

**Mr LLEWELLYN** - I think our agency actually has a good number of the services that are delivered from Service Tasmania. It probably originates back when we were actually a bigger agency - the Department of Primary Industries, Water and Environment. We had Heritage, Parks and Wildlife and all those sorts of things as well, but it fits in with the lands and information service. It dovetails in there.

**Mr EVANS** - Another aspect would be that, because we are a regionally diverse organisation with offices in all parts of the State, we have support for infrastructure and systems in all parts of the State whereas DPAC do not have those supports. We are able to service in IT and other services better than a central agency such as DPAC.

[4.15 p.m.]

**Mr LLEWELLYN** - I will reiterate: the Premier, as Minister for the Department of Premier and Cabinet, is the responsible minister for Service Tasmania for all decisions relating to policy matters, including the establishment of additional outlets.

#### **1.4 Crown land services -**

**Mr MARTIN** - The CLAC project - I cannot remember what that stands for?

**Mr LLEWELLYN** - Crown Land Assessment and Classification project.

**Mr MARTIN** - Where is that up to? I think the assessment has been completed.

**Mr LLEWELLYN** - The department is continuing the implementation of the recommendations of the Crown Land Assessment and Classification project, which in 2006 completed its work to assess and classify all unallocated crown land and public reserves under the Crown Lands Act 1976. Cabinet has endorsed the recommendations of the project for each municipality in the State. Land is either being transferred to councils or other government agencies, considered for sale, being reserved under the Nature Conservation Act or reserved as public reserves under the Crown Lands Act. Property worth approximately \$4.5 million has already been sold or is now ready for sale. Proceeds are placed in the Crown Land Accumulation Fund as properties are sold. So far, deeds of agreement for transfer of property to local councils have been forwarded to all 29 councils for signing. Of these, 24 have signed deeds of agreement for the transfer of 383 properties. Transfer of registered titles has been completed for six councils. Three more councils are expected to receive registered titles by the end of July. The property transfers to councils at no consideration but councils meet all transfer costs. Conditions on the titles ensure properties cannot be sold or their use changed without approval of the minister of the day. A total of 265 properties are recommended for transfer to 17 government agencies and government business enterprises. To date, 15 agencies have agreed on properties to be transferred and the costs involved in these transfers. These transfers have been completed for four agencies and transfers to another six agencies are expected to be finalised in the near future.

Most of the recommended public reserves under the Crown Lands Act 1976 have now been created. Those outstanding await resolution of boundary issues where part of the property has been allocated to a different use and surveying is not yet complete. Preparation work for creating the recommended reserves under the Nature Conservation Act 2002 is complete for almost all proposed reserves. As this is happening there have been one or two observations - 'For sale' signs going up on crown land. Even though we have been through a very full consultation process, occasionally it has prompted someone to ring in and say, 'Why don't you use this land for

## UNCORRECTED PROOF ISSUE

something else other than what it is being agreed by parties that it be used for?' We have and we can iterate the process if it is felt that that is needed.

**Mr MARTIN** - What about the properties that are reclassified as surplus to government needs, buildings and so on? I am thinking of Battery Point.

**Mr LLEWELLYN** - Most of those are organised through Treasury. As Minister for crown lands I have to authorise the issue, but usually that is done from a Treasury point of view. The one you are talking about has been particularly awkward because they have had a number of warnings and a number of attempts at decanting people from that particular building and they do not like being decanted.

**Mr MARTIN** - Are they going to be decanted?

**Mr LLEWELLYN** - Not immediately, no.

**Mr WILKINSON** - Coward.

*Laughter.*

**Mr MARTIN** - Very smart. No other questions.

**Mr WILKINSON** - Over the next five years, it is very volatile, is it not? You are looking at 47 then 30 then 54 then 41 then 12. I read the footnote in relation to it. It does not really explain why that volatility is there for crown land services. Can you just explain why that is, please?

**Mr LLEWELLYN** - It is about the Crown Lands Accumulation Fund funding. We are contra entry system. The money comes in and goes out again and sometimes there is more and we sell more and -

**Mr WILKINSON** - You must have a good crystal ball if you can see it go up and down over the next five years.

**Mr LLEWELLYN** - I am not sure what deductions Treasury place on that but they make those estimates, I think.

**Mr WILKINSON** - So this is a Treasury estimate, is it?

**Mr LLEWELLYN** - Yes.

**CHAIR** - You might have to leave that open and ask the Treasurer next week.

**Mr WILKINSON** - Yes.

**Mr MARTIN** - One other question. Did the CLAC look at education department land?

**Mr LLEWELLYN** - No, that is part of the Education Department and that, as part of the Affordable Housing Program, for instance, a lot of the land that has been talked about, the crown land we will make available for that, is actually from the agency of education. If it is transferred, ultimately we will have to sign it off; we will get a note from Treasury to say that this is

something that is required and I have to then fulfil my statutory role in enabling that to be transferred or disposed of in some other way and -

**Mr MARTIN** - Where do the proceeds go to in that case?

**Mr LLEWELLYN** - In that case it is Government policy that land would be made available for affordable housing and I think education has some formula of compensation .

**Mr GODFREY** - Yes, Minister, I cannot remember the exact thing, but in most instances agencies have a strategic asset management plan for particular assets and buildings and if that is the case then normally they would retain 75 per cent of the revenue. I will be corrected on this, but I think there are some issues with education and with housing that they may be able to retain the lot.

**Mr WILKINSON** - I was wondering whether, if we ask the Treasurer next week, he would not be able to say exactly - could we put it on notice to you to explain the volatility in the forward Estimates 4, 1.4? By doing that it might be arming him with the information so when we ask the question he can come forward with it.

**CHAIR** - We are trying to be helpful to him

**Mr LLEWELLYN** - Yes, he will have a cunning answer, I am sure.

**CHAIR** - You can do that?

**Mr LLEWELLYN** - Yes.

## **Output group 2 Primary Industries**

### **2.1 Agricultural industry development services -**

**CHAIR** - The details in the budget papers are pretty scant, I have to say. I recognise all the linkages you have with TIAR in terms of agricultural industry development but I have to say that what alarms me, if I look at the whole primary industry budget and the forward Estimates, is that they go down at an alarming rate over time. If we go out to 2011 and 2012, the only output group which does not go down, I think, is biosecurity and that gets a little bit of a lift. So, given that agriculture is probably one of the engine rooms of this State, then I am concerned that the Government may be underfunding agriculture in the medium term at least.

[4.30 p.m.]

I recognise that you have your priorities; you have the squeaky wheels like health and education which are very important - money needs to be spent there, but particularly in agriculture. Even when you look at the figures from the Estimates, there was quite a lot of Federal money in there in some of those programs. The value of services provided to Tasmanian agricultural industries is falling in dollar terms and even faster on real terms. Would you care to comment on that?

**Mr LLEWELLYN** - Yes, but the one aspect that you have not mentioned, although I think you did mention it earlier on, is the big focus and emphasis that we have had on water

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development that we are embarking on. That is an \$80 million program and additional support. I think that is going to be pretty important for the farmers.

We are committed to those other programs. In the last year or so we have fulfilled election commitments which has transferred money out of the portfolio directly and into TIAR and TAFI but particularly into TIAR with the new dairy effort at Elliott and also at Forthside for the vegetable facility. If you look at the benefits that have come from that and if you aggregate it and compare with what was there before and add in the corporation research funding and all those things, you will see that the scale is redressed there and the amount of effective return to farmers has been increasing through those types of programs. I know it is difficult and it is difficult for me too because farmers say, 'You are not doing this in the way of research or development or extension services' and I have to remind them money is being passed over to TIAR and that is where a lot of the effort now resides. They do not equate that to being the Government and it is a bit of a difficulty, but we are trying to work on that aspect a little more.

**Mr EVANS** - I think the other point to make is that a large part of that decrease in 2009-10 forward estimates relates to the exceptional circumstances interest rate subsidy scheme in that we get funding from the Commonwealth and also the State to support the payment of funds for drought relief.

**CHAIR** - What is the quantum of funding from the State?

**Mr LLEWELLYN** - It is a 10 to 1 ratio.

**Mr EVANS** - It is a 90 to 10.

**CHAIR** - I read all the footnotes that describe a lot of the variances and I understand that, but I still made that point.

**Mr LLEWELLYN** - I take your point and I think it is an issue that we make with the Budget and each year there is a slightly different emphasis and prioritisation and we have put forward a number of initiatives. Only a few of them have been endorsed by the budget subcommittee because of the priorities that are needed in health and education and in other areas. But we hope to do better. It is certainly not through want of trying, I can tell you.

**CHAIR** - We will have to change a couple of members on that budget subcommittee, Minister.

**Mr LLEWELLYN** - I was banned from the budget subcommittee you know, when I was Minister for Health. I was too big a user, so they would not have me on it.

**Ms FORREST** - It is all about knowing your limitations really.

**Mr LLEWELLYN** - I have not been back on it since. If I could wangle my way onto it I would.

**CHAIR** - The main thrust of my questions will come later in water and also conservation of flora and fauna.

**Ms FORREST** - One of your more recent campaigns has been the marketing campaign for the Tasmanian vegetable industry, which I will not place any personal comment on, but how do you plan to measure the success or otherwise of the program?

**Mr LLEWELLYN** - We have been looking at how we do that. The campaign is well under way. We did have some brochures that we could have given you. Oh, very good - Dr Campbell is doing a good job. Here is a handout for you.

**Ms FORREST** - I will stick it in my office window.

**Mr LLEWELLYN** - Advertisements are appearing in the major national newspapers and lifestyle magazines promoting the virtues of Tasmanian vegetables. This campaign will see an investment of \$1.9 million over the next 18 months. There are already positive comments about the campaign; it is being noticed. The Government is working with major producers to incorporate the new 'Taste is our nature' Tassie vegetable logo onto packaging. Houstons Farms and Brandsema cherry tomatoes have adopted the logo and are using it for some of their product. Harvest Moon is having its labels changed on a range of its products and discussions are under way with other processors and suppliers within Tasmania. Island Fresh and IGA supermarkets are promoting the logo. The campaign is designed to run over a further 14 months and will promote a whole range of vegetables.

The Government is also assisting with the marketing process through its investment of \$850 000 in marketing projects to be commissioned by the newly-formed vegetable industry marketing committee. That is a really top committee because it has a lot of young farmers on it. The committee has representation from various industry sectors. The Tasmanian Institute of Agricultural Research on behalf of the Government is chaired by Dr Susan Nelle of the Australian Innovation Research Centre. It has a role of implementing and overseeing the projects under the framework of the Tasmanian Vegetable Industry Strategy and Marketing Plan. There is also a monitoring role associated with that. Mr Ford can tell you some details about that aspect of it.

**Mr FORD** - Certainly in relation to monitoring the advertisements, this is part of the contract with Clemenger Tasmania. They will run Roy Morgan-type surveys on the success of the ads to see what recognition they get. Some of that will run over September-October, after the first round of advertising. That is a standard advertising mechanism. As part of the longer-term process, the marketing committee needs to look at the uptake in terms of the benefits to the industry. I think how the industry uses the logo will determine how successful the campaign is going to be.

**Ms FORREST** - The outcome of this sort of research - I know it will not be in this year's annual report because there will not be any feedback in time for that - will that information be in subsequent annual reports?

**Mr FORD** - The department will be reporting on the outputs because we have committed money to fund this project.

**CHAIR** - Minister, one other issue that has just come to mind is that there are skills shortages in many industries through the State in particular areas, and right throughout Australia might I say. I think with the burgeoning dairy industry, particularly in Circular Head - which is the mainstay of the industry in the State - there seems to be a difficulty in attracting people to some of those industries in some of those rural areas. Have you or the department given any thought to how you might assist in attracting people to rural areas to get the appropriate skill base?

**Mr LLEWELLYN** - We will continue to provide training to Tasmanian farmers through the services that are supplied by Skills Tasmania and the TAFE system. The FarmBis program is coming to an end but the staff that have been employed - and we have had two permanent staff who have been working with FarmBis - will have an ongoing role in providing industry development programs to the farming sector focusing on drought recovery, impacts of climate change and those issues.

During the time of that program there have been over 4 600 primary producers who were assisted to take part in 100 000 hours of eligible training activity. That has come at some cost but I take the point that you are making. I think that it is an important one.

We are trying to attract dairy farmers to Tasmania and if we can get water delivered, particularly in the north-east, this probably offers the biggest potential for expansion. We have already got fairly solid dairying in the area that you mentioned but opening up new country will, we know, attract a lot of skilled people to the State.

The effort that we have to put in there is to get people who own land in those areas to realise that either they can be involved themselves and be prepared to invest in the area or allow other investors to come in and do that. There are many people who have been watching both from New Zealand and mainland Australia, particularly in the Murray-Darling region that is going to be severely curtailed as far as water is concerned, who might come to Tasmania and dairy farm. You are quite aware of the Murray Goulburn dairy that have been very interested in that. That is open to any business to get involved.

## **2.2 Marine resources -**

**Mr HARRISS** - The only matter that has been drawn to my attention that I want clarification on is a fisherman holding a scale fish licence and if the licence lapses my advice is that it cannot be immediately renewed. That then places the scale fisherman in difficult circumstances regarding income generation. Is that the way it is and if so what needs to change?

**Mr LLEWELLYN** - We have had a very long-term policy of trying to reduce the number of licences in certain categories. We went through an assessment process which was very labour intensive and detailed where all the people involved in the industry were offered an opportunity to show through catch history their involvement in the industry. Some of them just could not show that and therefore they could not obtain a licence into the future. From time to time we get issues from individuals and some of the people who went through that process some years ago every now and again try again with some new people and put the same case. I do not know but Mr Ford will be able to tell you a bit more about that.

[4.45 p.m.]

**Mr FORD** - The industry was very concerned about the fact that people were letting their licences lapse for a number of years and not paying any fees contributing to the management of the fishery and then coming back and seeking to claim a spot in the fishery. At the request of the fishing industry the minister - it might have been Minister Kons - implemented a set of regulations that said if the licence was not renewed within three months of it expiring then the licence would not be renewed. We subsequently reviewed those regulations and extended that period from three months to 12 months, so now the provisions in the scale fish rules are that if the



licence is not renewed within 12 months of it being expired then it cannot be renewed. There is ample opportunity within 12 months for people to renew their licences.

**Mr HARRISS** - I agree. I thought it was a much more compressed time frame than that.

**Mr FORD** - That is why we expanded it from three months to 12 months.

**Output group 3**  
**Resources management and conservation**

**3.1 Land management services -**

**CHAIR** - We have weed management, weed plan and all sorts of weed management programs, but in the rural sector there is always an underlying frustration that, despite all of these things operating, when it comes to enforcement you get recalcitrant landowners - and I can probably include the Crown in that - in removing environmental weeds it just does not seem to jell. Could you enlighten me on what might be done there?

**Mr LLEWELLYN** - Compliance and enforcement - our preferred approach. While the department undertakes enforcement activities where necessary, its preferred approach is to focus first on education, awareness and extension activities to achieve weed management in the State. This includes advising landowners about the requirement to control declared weeds on their property, to persuade them to undertake the required control measures voluntarily. The highest priority for regulatory action is the prevention of new weed problems in Tasmania and where it is required to reinforce the efforts of regional and community weed programs. In the first 10 months of 2007-08 the department's weed management officers undertook 396 compliance activities. No requirement notices were issued by the department during this period. As I say, the preferred option is to try to encourage people to do it rather than to prosecute. All requests for compliance with the new law were complied with by those private landowners who were approached. During this period local government issued one requirement notice to a landowner, which was then complied with.

It is very clear from the data that a consensus -based approach to compliance works. Weed control activities are generally undertaken by landowners or land-holders without the need to issue requirement notices. The Government currently has listed 102 plants as declared weeds under the Weed Management Act. Statutory weed management plans have been developed for all the declared weeds. The management plans were prepared in consultation with local government, the industry and community groups to provide a framework for a coordinated and strategic approach to manage the impact and preventing establishment of declared weeds. The plans describe the prohibition of the introduction, sale and distribution of declared weeds. They also outline measures of early detection, control and, in areas of limited distribution, eradication is the objective. In areas where weeds are widespread, containment is the focus. Any plant proposed for declaration is subject to a weed risk assessment process to determine the plant's capacity to cause significant environmental, economic and social harm to the agricultural natural systems in Tasmania. The department works closely with regional municipal natural resource management programs and so on and this way significant weeds such as Patterson's curse, pampas grass, serrated tussock and boneseed and many others have been targeted across the State.

You also asked me about weed management on crown land. This is always a vexed point with people because they see some crown land that might have some weeds on it and they are

doing a good job. You can understand people's frustration. The Government's role in weed management includes managing weeds on the land it owns and manages. Declared weeds on crown lands have to be managed in accordance with the statutory weed management plans. Significant effort has been made to ensure that high value conservation reserves such as the World Heritage area are kept free of weeds. To achieve these aims Parks and Wildlife Services, Forestry Tasmania, DPIW, Department of Infrastructure and Energy and Resources work cooperatively together. An example of this is the cooperation between my department, Dorset Council and Parks and Wildlife Service to identify, map and manage gorse infestations that occur on all land tenures and threaten the conservation values of coastal reserves. An example of that specifically is the Mt William National Park where that cooperation has happened.

Again, I think we could probably do more but it is a matter of resources.

**CHAIR** - In a practical sense, for a compliance notice to be issued, generally, is it an officer of the department who is travelling around the countryside or are they advised by an NRM group or somebody else who notices really a bad outbreak of a weed that needs to be eradicated? How does that work? Who is actually picking up where the -

**Mr LLEWELLYN** - The three DPIW regional weed management officers are appointed as inspectors, as are 35 officers from Quarantine Tasmania, six officers from Forestry Tasmania. The Secretary will tell you the rest.

**Mr EVANS** - We have one from the Parks and Wildlife Service. Staff from the agency have delivered training to 14 new inspectors in the past year. There are 28 local government officers in Tasmania now appointed as weed inspectors; 17 of the 29 councils have designated weed inspectors. Any one of those weed inspectors can issue -

**CHAIR** - Can issue a compliance notice?

**Mr EVANS** - Yes.

**CHAIR** - Okay, fair enough. I will not labour the point.

**Mr EVANS** - The enquiries would come from members of the public, adjoining landowners, NRM groups, weed inspectors, themselves. They come from a diverse range of sources.

**CHAIR** - Okay. Any further?

### **3.2 Conservation of Tasmania's flora and fauna -**

**CHAIR** - In regard to this output I simply want to focus on devils and foxes.

**Mr LLEWELLYN** - Right.

**CHAIR** - I have some questions on foxes to start off with.

**Mr LLEWELLYN** - This is not on behalf of Mr Dean, is it?

**CHAIR** - Do you mind?

**Mr LLEWELLYN** - I do.

**CHAIR** - Mr Dean has expressed views on foxes in the past, yes. The 1080 baiting program - what has been the value of that, has it been successful or not?

**Mr LLEWELLYN** - I believe so. We have baited more than 448 000 hectares of land in 2008. The recent baiting activities have been undertaken in Oatlands, from Perth to Ross and at Tewkesbury. A new investigation and monitoring section has been created in the branch. This includes investigation officers monitoring field officers, a tactical response unit comprising scat detector dogs and their handlers, and the scat collection survey project team.

The strategic scat survey, otherwise known as the Great Poo Hunt, began in March 2008 and was completed 6 June. The survey completed approximately 290 units. A unit is nine square kilometres with over 2500 carnivore scats collected. From these two scats returned a fox positive result, although analysis of a large number of scats, approximately 2 000, is yet to be completed.

These two scats bring to 14 the number of fox positive scats confirmed this current calendar year, collected from around the State by various means. The scat collection survey is designed to gather important data to help identify the locations of fox populations living in the State. This information will be used to inform the targeted activities of the fox eradication program. In 2008 the scat detector dogs and their handlers have become more involved in ongoing investigations as their experience grows.

Training trips have been undertaken in several locations in Victoria to ensure the dogs' skills are kept sharp. Seven of the fox positive scats confirmed in the current year were either located or received a positive response from the detector dogs. The dogs' method of indicating the possible positive nature of the scat is to sit next to it.

*Laughter.*

**Mr LLEWELLYN** - All scats collected in the fox eradication program are currently screened by a scat detector dog to determine priority for analysis. The scats eliciting a 'sit' response from the dogs are accelerated for priority analysis, meaning they are placed ahead of scats that do not elicit a response from the dogs. The majority of fox eradication branch staff have now undertaken an extensive fox control course run by the New South Wales Department of Primary Industries in Orange and Dubbo and in the first two weeks of March.

There is a fair bit more on the fox issue I could talk about. In fact there is a heck of a lot more, but in essence those 14 scats indicate that there are a small number of foxes in the State. They are very elusive; we find difficulty in catching them but we believe that the baiting program is the appropriate program

**CHAIR** - So it can be shown by evidence that foxes have actually taken 1080 bait?

**Mr LLEWELLYN** - We believe so, but I defer to John on that one.

**Dr WORTHINGTON** - We know that, depending on the area, quite a high bait take can be taken, in some areas it is quite low. And we know that in the lowest instances the bait is taken by non-target animals - other scavengers.

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**CHAIR** - Sorry for interrupting there. I thought that they were buried to a level where browsing animals were not going to get a grab on them.

**Dr WORTHINGTON** - We bury them. It is a compromise, making them less attractive to animals other than foxes and making them potentially findable for foxes. So we do know that there is bait taken by other non-target species. We have photographic evidence of that and we are now starting to use remote triggered video cameras to get a better handle on what is actually taking the scats.

[5.00 p.m.]

We have an extensive R&D program to get a much better understanding of what takes the baits and through that we are trying to improve the targeting of our bait laying to foxes. The aim is to minimise take by other species - one because of the potential for collateral damage. We bury them but the we also use an amount of 1080 that for most other species is not problematic; native species can tolerate a higher level of 1080 than -

**CHAIR** - So who are the chief suspects at this stage that are taking the baits? Have you any idea?

**Dr WORTHINGTON** - Possums, quolls, you name it. If it is in the countryside it has probably had a go. Most of the other animals do not find baits until they start to rot down and they start to get quite an odour and by that time the 1080 has broken down as well so they tend to be taken later in the deployment.

**CHAIR** - You have not got any handle on how many baits laid in the past three-year period have been taken and not recovered?

**Dr WORTHINGTON** - I cannot give you the specific number here but we can certainly give you an answer.

**CHAIR**- Could you? Okay. The dogs the minister talked about a while ago were, as I understand it, trained to locate scats in plastic capsules. Was that so? Is that the way they were trained? They were not trained here, they were trained in Victoria or somewhere else? They were not trained in Tasmania?

**Dr WORTHINGTON** - The training was initially undertaken by Steve Austin who trains quarantine dogs for a range of agencies including her own but also has trained the three detector dogs that we have. Their training initially was an intensive training with Steve Austin; they have had continuous training with us since then and we get refresher training every quarter by Steve Austin.

Early on in the piece we had the scats in plastic containers with holes drilled in them because at that stage we were reluctant to have fox scats in the Tasmanian landscape. In the early training we taught dogs to find a combination of smell, which was a scat plus the canister plus whatever else the canister had been sitting in previously. Steve Austin, the trainer, has worked on all sorts of training for explosives, apples, you name it, and modified the training so now they are specifically trained to find scats.

**CHAIR** - You are satisfied that these dogs are trained sufficiently well to find loose scats on the ground, not just those in plastic containers?

**Mr LLEWELLYN** - Yes, I think from that iteration that occurred there, lessons have been learned and now they are operating very well, just the same as dogs are at the quarantine barrier.

**CHAIR** - Science advances, of course, minister, and the question is: in the scats that have been located, has it been possible through DNA to determine what sex they came from?

**Mr LLEWELLYN** - We do not test in that regard, I do not think. I think you probably could but I am not sure. Dr Campbell could probably tell us a bit more about that.

**CHAIR** - Obviously for breeding purposes and everything else it would be handy to know. We might have three or four scats found and they might all be males so there is nothing happening in the State. Can we get an answer?

**Dr WORTHINGTON** - At the moment the test is specifically designed to say whether or not it is from a fox or otherwise. When they do the DNA testing they are looking at the epithelial cells from a fox that would have sloughed off; they are on the outside of the scat and are exposed to the elements so the DNA degrades in the natural environment. One of the difficulties in doing any analysis with fox or any scat found out in the wild for an indeterminate amount of time is the quality of the DNA so we are focussing at the moment on the presence/absence of foxes. As the minister says, there are other tests that could be done but with eight at East Coast Natureworld, which totals 63. Up to 20 founder animals may be sourced from Tasmania's wildlife parks and included in the insurance population before the next breeding season. So that is the story with regard to the breeding program.

**CHAIR** - What proportion of DFT program funds specifically go to any of the private Tasmanian wildlife parks to support?

**Dr WORTHINGTON** - To date we have not provided any cash directly to private wildlife parks, however we do provide support, advice and the like and we are working closely, for example, with East Coast Nature World and their Devil Island project in providing husbandry advice, breeding advice and a range of biosecurity advice. But direct cash to wildlife parks to date has been zero.

**Mr LLEWELLYN** - The one positive thing that has happened - and I think I shared this with the House committee - is that you would have heard the reports about Cedric.

**Ms FORREST** - His unfortunate half-brother?

**Mr LLEWELLYN** - No, just Cedric - his unfortunate half-brother is Clinky. Cedric is a western Tasmanian devil who seems to be resistant to devil facial tumour disease but his half-brother Clinky isn't.

**Ms FORREST** - He's having chemo, isn't he? That's what I heard - and he's losing his hair.

**Mr LLEWELLYN** - I am not sure. Cedric and Clinky are held in captivity and when they were injected with killed tumour cells Cedric produced high levels of specific antibodies in response to the tumour cells, whereas Clinky did not. At a later date both devils were injected with live tumour cells and unfortunately Clinky has developed facial tumours while Cedric has not, which is positive. But I think there have been a number of other devils from that region we

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have also found that exhibit antibodies, not only Cedric. The positive thing about that is that we have also observed that the number of deaths from devil facial tumour disease is decreasing as we go west, so it could be that there is some resistance there, but is very early days in regard to that.

**Mr WILKINSON** - If you took the antibodies from Cedric and injected them into Clinky what would happen? Has that been done?

**Mr LLEWELLYN** - It would probably kill Clinky.

*Laughter.*

**Ms FORREST** - He's already in trouble!

**Mr WILKINSON** - Clinky's already in trouble so I think he would be holding out for anything he could at the moment. I just wonder if that has been done?

**Dr WORTHINGTON** - Not to my knowledge.

**Mr WILKINSON** - Is it a worthwhile experiment, though? If Cedric has the antibodies that may be able to kill the tumour.

**Dr WORTHINGTON** - The results that the minister is describing now from the vaccination immunology program have emerged only in the last few months. It has been coordinated through the Menzies Research Centre with Professor Woods and they have some of the best immunologists in the world looking at this problem.

**Mr WILKINSON** - It seems too simple, doesn't it?

**Dr WORTHINGTON** - I would hesitate to offer anything other than to say that the immunologists running the program are world-class.

**Mr LLEWELLYN** - I do not think it is a simple matter. If you are going to develop a vaccine against a disease you cannot just take the blood that has antibodies and put it into something that does not. It has to go through a very stringent process.

**Ms FORREST** - It is usually a live attenuation of the virus or whatever, isn't it? That is how you develop it; is not the T-cells that fix it.

**Mr LLEWELLYN** - I am sure a trained scientist reading this part of *Hansard* is going to laugh.

*Laughter.*

[5.15 p.m.]

**CHAIR** - It is good that this issue has come forward on the west coast and it would appear that there may be some immune system developed amongst those western devils, if we can call them that.

**Mr LLEWELLYN** - That's right; the Murchison devils are strong.

**CHAIR** - You may or may not have an opinion on this but it would seem that if you look back historically to the 1930s and 1940s and at books written by people like the Ned Terrys of this world, in the Central Highlands the devil population virtually disappeared. That seems to have happened at times and we may be seeing history repeating itself. The immunity might build up and we might be clear of the disease. Hopefully that is the case.

**Mr LLEWELLYN** - It is possible. I think there has been two examples in recent history dating back to the late 1800s where the devil population declined. The last time was in the 1930s as I understand and it is possible that might have been a similar disease. There is a bit of anecdotal evidence; in fact, a lady from Wynyard rang a radio station and recounted when she was living in Jericho in the centre of Tasmania her husband shooting two devils that exhibited what she said were facial tumours - big things on their faces and so on - because he did not want his dogs to be infected with the disease. That was during the 1930s. Obviously you could not determine whether it was a strain of DFTD; this could be completely different so we have to treat it as such.

**CHAIR** - Yes, I understand that. Sometimes it happens with some of our native wildlife like native hens or, as the new President calls them, turbo-chooks. They wax and wane, let me say.

**Ms FORREST** - The minister calls them turbo-chooks.

**Mr LLEWELLYN** - I am inclined towards native hens - you know that.

**CHAIR** - I have noticed that. I think you told me you wanted them as our State emblem.

**Mr LLEWELLYN** - I did. I think they would be a good State emblem. I really have not posed that to my party yet.

**CHAIR** - I think we might have to have a robust discussion about that.

**Mr LLEWELLYN** - They are indeed very unique to Tasmania.

**CHAIR** - They are good in waterways, I can tell you.

**Mr WILKINSON** - What is the present population of the devil - do we know? How much in recent times has it decreased? Is it plateauing out? They are the types of things I would like to know.

**Dr WORTHINGTON** - We do not have a census as such on the exact number of devils. I think the latest estimate I read was between 60 000 and 90 000 devils. We do know from our monitoring, including our spotlight survey which we do for a whole range of animals, that the population index that we measure has decreased by 64 per cent since the mid-1990s based on our most recent survey. We know that the devil population in areas where the disease has been for a long time have decreased by more than 90 per cent. As the disease moves further west we are seeing the total population coming down but as the minister said earlier, the disease progression west seems to have stalled or slowed down around this line just to the west of Cradle Mountain. So that is very hopeful but there is only 64 per cent of the population compared to about a decade ago.

#### **Output group 4**

**Water resources**

**4.1 Water resources management -**

**CHAIR** - First of all Minister, in regard to water I would like to congratulate the Government's commitment an investment in irrigation development in the State. However I have some concerns about whether some of the proposals will deliver the maximum economic benefit to the State for the minimum cost. How is it envisaged that the \$220 million in State and Federal funds will be allocated amongst the competing options?

**Mr LLEWELLYN** - As you know, we have developed a new irrigation development board that has been established to provide the high-level drive and governance needed to deliver a major sweet of water infrastructure projects. Primarily there was a series of six major irrigation projects that were investigated under the SMART Farming program, and you can divide that up and add to it some 11 specific issues in those six areas. The board comprises Mr Lord as the chair, Mr Gill, Mr Perry, Mr Geoff Coffey and Mr Evans from the department. It reports directly to me. The projects will also leverage substantial user contributions which could eventually take the scale of the irrigation development program to around \$400 million. The board also needs to develop appropriate partnerships and consultative arrangements with the TFGA and other key stakeholders and so on, and to local champions who are working their own particular areas.

The Government and the board have jointly developed the working principals for the board's activity under which the Government expects to build as many of the schemes as possible within the available funding. Subject to the scheme satisfying the requirements of the National Water Initiative and meeting economic social and environmental requirements we will build them as soon as practical and preferably progress the development of all of the identified schemes simultaneously while recognising that the projects are at different stages right at the moment; require water users to contribute to the capital cost of the schemes on a similarly affordable basis across the State; avoid any arbitrary transfers of values to the particular parties; once built, enable the scheme to be self-managed; minimise the value of the Government's capital contributions; provide for the delivery to the general community over time of a part of the accretion in value of the actual water. So they are the basic principals.

**CHAIR** - Yes.

**Mr LLEWELLYN** - We have basically used the Meander Dam as a guide, although some will be up and down on that depending on what crops are grown and use of land and those sorts of things.

**CHAIR** - So just having said that, and given that the capital costs of the various proposals will vary, will the landowners in the different areas have to be required to contribute differing amounts of capital or perhaps a proportionate cost of the particular scheme, or will they pay a similar up-front capital payment like, for example, Meander Dam, which is \$1 100 per megalitre at the moment?

**Mr LLEWELLYN** - We are trying to model it but it will vary from scheme to scheme. The way that we look at it is to assess the economics of the project, look at the numbers of people who will be involved and their contribution into the final sale and the operation of the scheme and then assess what the difference is, and that difference will then be the public contribution. But that



public contribution has to be subject to a number of tests as well to ensure that we are getting value for money. We are using what you were talking about as the basis; we do not want to -

**CHAIR** - But that could vary.

**Mr LLEWELLYN** - It will vary but it is the fulcrum we are using.

**CHAIR** - By what sort of percentage could it vary? Could you give an indication?

**Mr LLEWELLYN** - I do not know; Dr Harradine can probably give you a better outline on that.

**Mr HARRADINE** - We have no idea of a set percentage but I guess to put it in fairly simple terms, the key thing is the end price to water users. In terms of a capital contribution, that is the difference between the total cost of the scheme plus what the Government puts in. That capital cost to the water users must be such that it is not a windfall gain. Obviously putting water onto the property increases the property value and if you set the purchase price too low, people can basically buy the water, sell the property next day and all the benefit comes to them in the form of windfall gains. On the other hand, if you set the price too high, they will not use the water and the scheme will not succeed.

I think the Meander example, where we established a price of \$1 000 per megalitre to start with, was based on that model where the \$1 000 was considered to be about what the water added to the property value, so that people were not getting a windfall gain in property values, but it was at a price that on an annual ongoing basis the irrigators could afford to pay the capital and the ongoing operation price. As the minister says, we see it as a seesaw with the Meander price being the fulcrum. Some schemes like the Sassafras-Wesley Vale scheme, where they are growing high-value vegetables in the red soil up there, may well be able to afford a buy-in price of more than the Meander equivalent. In parts of the Midlands, where they have less opportunities to grow high-value crops and will be using water for lower values, it may well be less than the Meander model. That is the sort of economic analysis we are doing as a project.

**CHAIR** - In a similar vein, will the recurrent operating costs to deliver that water be varied for different schemes as well?

**Mr HARRADINE** - We are looking at an annualised cost as the basis and that includes the annual operating cost and the cost of the capital to buy in at the start. The economists are working on Tasmanian farms as somewhere around \$100-\$150 per megalitre being a point at which farmers will buy in to make money. That is on the basis of the capital -

**CHAIR** - Sorry, that is a recurrent delivery cost?

**Mr HARRADINE** - That is the combination; that is the recurrent delivery costs - the pumping and delivery plus their capital cost of borrowing the money to buy the \$1 000 per megalitre. I think the initial figuring on Meander was about \$100 per megalitre, which included the \$1 000 buy-in over 10 years and what was originally about a \$45 operating expenditure cost.

**CHAIR** - Minister, with all these schemes in the pipeline, can you confirm that cost-benefit assessments will be applied to ensure that the best proposals receive priority for the funding that is available?

**Mr LLEWELLYN** - Yes.

**CHAIR** - Who will do that? Will the Irrigation Development Board under Mr Lord do that?

**Mr LLEWELLYN** - Yes. If we apply any of the \$140 million to these projects from the Commonwealth we have to meet the requirements of the National Water Initiative, too.

**CHAIR** - You did mention in your overview before that local management is conceivable; for example, you have the Cressy-Longford scheme which is run by a local board. I think those farmers went and did a company directors course so there was some professionalism in the whole outfit. The Winnaleah scheme is another one. Might it be that with the new water and sewerage legislation which we passed recently those corporations may in fact take over the running of some of these schemes?

**Mr LLEWELLYN** - Water might be acquired from those entities if they were to develop water capacity.

[5.30 p.m.]

**CHAIR** - No, I am thinking in terms that they will have a lot of expertise within what they are doing.

**Mr LLEWELLYN** - It is possible.

**CHAIR** - It is. You would not discount that as being something that could happen?

**Mr LLEWELLYN** - No.

**CHAIR** - I am not saying it is a bad thing, either; it may be a good thing in some cases.

**Mr LLEWELLYN** - I would not discount anything. I think the more things that are on the table at the moment, the better, as far as options that we have.

**CHAIR** - Are there any processes in place that will ensure that private schemes and private proponents are not disadvantaged? If a group, for example, of private operators did get together and they are not taken out of the picture?

**Mr LLEWELLYN** - No, if you are referring the Macquarie group of people -

**CHAIR** - Briefly, I was.

**Mr LLEWELLYN** - Obviously there are a couple of options there. But I think that in discussions with them, the broader and the economics of the wider scheme, they can see that in that equation also. Particularly when you look at the Poatina to Oatlands proposal which is now being re-engineered a little and there is a heavier reliance on water out of the South Esk River as well and it is a much better option, we believe. That enables water to be sent back from South Esk through into the Macquarie group as well. So it gives the Macquarie farmers a greater surety. If you factor those things into the equation, I think everyone is at the moment happy with the way things are progressing.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Do you have a priority list at this stage of what is going to be developed?

**Mr LLEWELLYN** - The priorities that we are working on is the Poatina to Oatlands, or South Esk-Oatlands scheme which involves what we have just mentioned- there are some augmentations on that; there is the Meadstone Dam up at Royal George; and there is a proposal for Mahoneys Hill and Junction Hill on the Macquarie River as well. They all fit into that scheme and a proposal to take water out of the South Esk system. So that is all part of the number one priority which is equal in priority to trying to resolve the issue on the Ouse, Shannon and Clyde systems too.

**CHAIR** - I was going to ask you a question about that. Obviously you would have been disappointed with Minister Garret's -

**Mr LLEWELLYN** - Yes, there are a lot of conflicting things associated with that issue. We have the responsibility for the threatened species within Lake Crescent and Lake Sorell, but as well as that, we have the responsibility of trying to provide water for irrigators and at the same time trying to improve the lakes because the turbidity in those lakes, now that they are very low, is quite high, so it is threatening these other systems.

We have responsibilities for the town water supply to be maintained to Bothwell. We thought we would put a proposition that tried to address the threatened species issue as well as looking at the imperatives that were there. It was only a short-term solution because we were working strenuously on trying to deliver water from the Shannon back to that system.

But we are certainly outside the parameters of the management plans that are there, well and truly and we are charting new waters, as it were, in regard to that.

We just have to go on and try to achieve what we can and hopefully we can get some water across for next season.

**CHAIR** - What resourcing are you giving the Irrigation Development Board? Do they have sufficient resources?

**Mr LLEWELLYN** - The department itself is resourcing the Irrigation Board at the moment. We have sufficient resources for that and we have already taken some money out of the \$80 million for the emergency pipeline going back up to the Coal Valley to Campania from the Daisy Bank Dam to protect the perennial crops that are growing there now that Craighourne Dam is down to virtually no flow. We are looking at funding the emergency provisions we are putting in place between Shannon and the Clyde River out of that as well. So I think that everything is going well on that basis.

The other thing that I need to say is that the \$80 million is that is there, from a Government point of view although it does not appear directly in the budget arrangements in the infrastructure Funds, the amounts are there in that sense. We know that if we can spend the money we can access that money so it is not money that is going to be available and only dribbled out over a number of years. If we can spend it, the money is available to be spent.

**CHAIR** - Whilst I acknowledge that you have established the Irrigation Development Board, I presume that they will be held accountable for the performance and delivery on these projects?

**Mr LLEWELLYN** - They will.

**CHAIR** - Or you will be down on them like a ton of bricks.

**Mr LLEWELLYN** - We might have more to say about how that happens into the future.

**CHAIR** - In regard to the dam assessment process - and the Parliament passed amending legislation to the water act a couple of years ago in that regard - but the results have not been all that terrific, have they?

**Mr LLEWELLYN** - One year ago.

**CHAIR** - One year ago. In terms of dam approvals, that is very frustrating for the rural community. What has happened there? We had this one-stop shop that does not seem to be doing the job?

**Mr LLEWELLYN** - I think that it has and it is taking a while to put that in place. The legislation was fully through the Parliament and proclaimed in July.

**Mr HARRADINE** - The new process started in July.

**Mr LLEWELLYN** - July last year so we have been operating for the last 11 months under the new process and there are a whole lot of projects that had started under the old process and I think that they had to be completed under the old process so it was only new dams, and we did have a backlog, there is no doubt about that.

But I think that we have worked on that and in 2007-08 until 19 June 136 dam works permits have been approved and up to a further 10 permits are expected to be considered for final approval before 30 June 2008. So that is 146. The total capacity of these new approved dams is 22 000 megalitres - early the size of the Meander Dam. If you look at the amount of additional water that has been provided over the last 10 years through the old process and now this new process has doubled the on-farm dam capacity we had at that time.

While greater than last year, the number of dams approved for the current year will be less than the average number per year since 2000. This is part of a trend that is seeing fewer but larger dams being constructed. The average capacity of the 36 dams already approved this financial year is around 200 megalitres. In comparison the average capacity of dams approved between 2000-03 was 68 megalitres and between 2003-05, 121 megalitres.

I think that you could expect that because if you have an area on your farm that you think would be good for a dam, it has been taken up. And that is good. We did have a period when there was a bit of a backlog, people working on pulp mills and so on. I think we are starting to perhaps get on top of that now. There is an 84-day period; it can happen in less than 84 days but there are some statutory issues associated with that - advertising, for example - so most of the applications take at least 50 to 60 days, don't they, Alan?

**Mr HARRADINE** - The average is 70 days. They are done within the statutory time frame now and the simpler ones, that is the smaller ones plus the ones that do not have representations, can get through in around about 60 days under delegation from the assessment committee.

## UNCORRECTED PROOF ISSUE

**Mr LLEWELLYN** - Yes, but they have to go through a process so you cannot be shorter than that. We have not really applied the new principles as a 'dam of significance', I do not think, or we may be just starting to do that with it.

**Mr HARRADINE** - We have not applied those. We have certainly applied the new process in regard to not requiring other authorisations. While this does not show up in the dam statistics, what people are now finding is that once they get their dam permits in their hand after the average of 70 days they do not need then to spend what has been a period of up to over twelve months and in some cases getting other authorisations.

As soon as they have got their dam permit they do not need to go and get forest practices plans, threatened species permits et cetera and that was a big difference in streamlining. We never expected the assessment process to reduce because it has statutory requirements. The big difference is that what used to have to be done after that process now gets done within that process.

**Mr LLEWELLYN** - The other thing is that as long as they have fully done the preliminary work, and we assist people in doing that monetarily, it can continue seamlessly and they do not get any questions but if people do not provide the adequate evidence then the process stops and a letter goes back to ask 'Will you provide me with these details?' and it does not start again until you those details are given.

**CHAIR** - So basically, minister, you are satisfied now that part of the water management branch in terms of dams assessment is adequately resourced in terms of personnel and -

**Mr LLEWELLYN** - Yes. It involves both the water division part of my department and also the resource management and conservation section because they are the people who do the assessments and I think I am satisfied now - things are ticking along.

**CHAIR** - If I could just move along quickly. In that same legislation, if I recall, there were quite a few clauses regarding ground water and the fact that mapping had to be done. If I talk to drilling contractors it is almost a matter of one new bore a day going down because of the dry period and therefore that does put a lot of pressure on that resource.

If you could compare that to the South Island of New Zealand on the Canterbury Plain, if a proponent wants to put down a bore to get ground water then it is a total development application. It goes often before tribunals and everything else and so a lot of farmers are concerned with existing bores that unless there is some regulatory control on putting in new bores then it may well have severe and deleterious impacts on the neighbours. Would you like to comment on that?

**Mr LLEWELLYN** - I agree, and we are putting a lot of effort into assessing and analysing what we need. We have a SMART Farming water initiative opportunity to centralise the key ground water functions in DPIW and to increase ground water management activities overall. This is through the provision of an additional \$900 000 over four years from 2006-07.

We are looking at developing a regulatory framework along the lines you are talking about; finalising the process and developing that framework for ground water management through the amendments to the Water Management Act 1999 to ensure the State's groundwater resources are developed and used in an orderly, equitable and sustainable manner.

[5.45 p.m.]

A system to license and manage ground water use is being developed and will be implemented progressively across the State in high priority areas. This process will license ground water allocations and ensure that ground water is allocated and used in a way that optimises the environmental, economic and social values of the ground water resource. It is anticipated that licences for ground water use will be first applied in the north-west of the State in the Wesley Vale area where there is already a high level of use and growing demand for ground water. The system will also include a requirement for permits to be obtained to drill new bores. This will allow better control of the location of new bores, ensure that they have minimal impact on other users of resources - the very things that you have talked about - and ground water dependent environmental values such as the base flows in streams are to be assessed. The permits to drill bores will also ensure that bores are constructed to the appropriate standards to protect the interests of landowners who are paying for that. The system to licence well drillers is also being developed. These new regulatory frameworks will help improve investors' confidence in developing ground water supplies and will improve the security and sustainability of access to this resource. There is a bit more I could say there, but I think that covers the items.

**CHAIR** - Yes, it does; it covers it. I can appreciate the information.

**Mr HARRADINE** - If I could just add something to that, Minister. The legislation to implement those measures has now had its first reading in the lower House, so in the next session we will see those measures coming in for consideration.

**CHAIR** - Okay. The sooner that is rolled out, the better.

**Mr LLEWELLYN** - We will have it up to you following the Budget; because we will be debating it the week after next, I guess, or next week, I am not sure; there are a couple of bills that we need to deal with. That was one of them and we will have it up to you as soon as we can.

**CHAIR** - Yes. In regard to pipelines - and I noticed quite a bit of publicity came through from the proposed pulp mill at Bell Bay. Has any assessment been made in that east Tamar corridor on the agricultural potential for water to be carried in a common pipeline in that respect?

**Mr LLEWELLYN** - There has been some assessment but it has been very broad and preliminary both from the point of view of the water that might be accessed from Trevallyn Dam independently to the pulp mill pipeline and also in regard to the capacity that might be in the pipeline. But that was work that was done between the department and the Department of Economic Development and they are the ones that -

**CHAIR** - So you are not ruling out, if Gunns were the foundation customer then, if there was community benefit of course, water could be provided -

**Mr LLEWELLYN** - I think that is what the Premier was saying; that it needed to show that there was community benefit. He was saying that he would not be assisting a pipeline that just delivers water from Trevallyn right to the pulp mill, per se. If any project, not only a pipeline, of this nature, can show public benefit through -

**Ms FORREST** - Does there need to be a net public benefit or just a public benefit?

## UNCORRECTED PROOF ISSUE

**Mr LLEWELLYN** - There is 26 000 megalitres envisaged in regard to the pipeline and its capacity is some 40 000 megalitres. I think I mentioned in the other place that there could be some augmentation of the Curries River Dam which would provide some additional water that may be needed. That would have to be assessed by the George Town Council, for instance. There would be an opportunity to take water to some of the agricultural pursuits there.

**CHAIR** - And of course you have been potentially supported by the Australian Greens web site which says that all water pipelines should be in public hands. Were you aware of that?

**Mr LLEWELLYN** - No, I was not aware of that?

**Ms FORREST** - It is his home page. You still did not answer my question. When you look at public benefit, is it net public benefit or is it just a public benefit that would make it a project that would be deemed suitable to be supported by government?

**Mr LLEWELLYN** - That is not my call, I am sorry. I think you would have to make a judgment about that.

**Mr MARTIN** - Whose call would it be?

**Mr LLEWELLYN** - If there was such a proposal it would have to go back to Cabinet obviously and the whole of the Government would consider whether or not the value, in the same way as we do it at the moment with the Irrigation Development Board. We see how much benefit there is to the community through a proper assessment, we see what the costs are to provide that and then we can analyse what the public involvement ought to be to achieve that outcome.

**Mr MARTIN** - So there would be an extensive cost-benefit analysis?

**Mr LLEWELLYN** - The net present value and other considerations that are taken into account. The National Water Initiative has that as a criterion for use for the public money that might come into the process. You would make those appropriate assessments.

**Mr MARTIN** - So there would be a proper cost-benefit analysis that, being a public benefit, would not be commercial in confidence?

**Mr LLEWELLYN** - I think we are talking about something that is hypothetical.

**CHAIR** - Any more discussions on water exports?

**Mr LLEWELLYN** - We have not had anyone in recent times approaching us about that matter. They might have approached other people but they have not approached me.

**CHAIR** - It might be more valuable than mining out of the electorate of Murchison - all that excess water they have down there.

**Ms FORREST** - We use ours down there, thanks. Maybe we need to look after the rest of the State before we export it.

**Mr LLEWELLYN** - Mr Gerrity would have another tick on his check list. He, along with the member for Murchison, would be able to say that this part of the State produces the economic

wealth of the State and we should be duly recognised. They could say, 'And most of the value for the water', particularly if we piped it around the coast -

**Ms FORREST** - So I should get whatever I ask for if that is the case.

**Mr LLEWELLYN** - into the north and across the north, and down the centre.

**Ms FORREST** - There was a suggestion - and it might sound silly - that you could run a pipeline around the outside of the State from the west coast and you could tap off it all the way. Would anything like that be considered rather than just trying to get it over the mountains, through the mountains or however?

**Mr LLEWELLYN** - I am sure people will consider that.

**Ms FORREST** - It has to be gravity fed.

**Mr LLEWELLYN** - Basically.

**Ms FORREST** - Most of it would be gravity fed.

**Mr LLEWELLYN** - It depends where you took it from. Water coming out of Lake Margaret power station or out of the Reece power station.

**Ms FORREST** - After generating a nice bit of power with it.

**Mr LLEWELLYN** - Yes, after the power has been generated.

## **Output group 6 Biosecurity and product integrity**

### **6.1 Biosecurity -**

**Ms FORREST** - This is where we can talk about the regulation of organic spraying.

**Mr LLEWELLYN** - Yes.

**Ms FORREST** - Concerns have been by raised by landowners involving the weed control proposed regulations relating to aerial and ground spraying. I know that the time frame for comments has been extended by a month which is much appreciated on the request of myself and others I am sure. Can you provide an overview and some detail about the major considerations of this move with regard to the regulations. Has or will a regulatory impact statement be prepared and has there been a driving force or some major issues that has led to the change in the regulations?

**Mr LLEWELLYN** - Can I talk about those and maybe you could ask any other questions in a moment. We will cover those as well.

For some time we have been looking at a code of practice for aerial spraying to replace that code of practice with a different regime of regulations and replace the code by regulations that will establish formal spray exclusion zones around homes and public buildings and waterways



and certified organic land and those sorts of sensitive areas. That has been going on for the last two years or more and it seemed to me when we discussed a little while ago that it was opportune to not only deal with aerial spraying aspects but to include ground spraying as well. I wanted to get some debate going in regard to this and also to get some outcomes because this is the important part of projecting our clean, green, quality image to the rest of the world with food products and so on. We have to not only talk the talk but be able to demonstrate that we can do things here.

I do not want and I would never have wanted this to be onerous on farmers or to be over regulated and applying a lot of red tape or whatever. I note the comments that have been coming back and I have now met with a number of people and I have given an assurance to the president of the TFGA that we will discuss the issues and we will discuss them out until we are satisfied that we have got a set of workable regulations that can be applied. I do not want to impose anything on people but there needed to be some deadline in order to get people's attention and show that we were serious about doing something. I think things need to happen in this area. We have extended that, we are talking further. I have spoken to the Australian Contractors yesterday as a matter of fact and they went away happy that they know that all their concerns are going to be taken into account and at the end of the day we will come up with what we think is a workable outcome.

Tomorrow I think I am talking to those people who represent the wine industry and we have been in touch with the TFGA, TAPGA and a number of other groups and I have received quite a bit of correspondence on it. That is what we are doing to approach the issue. Notification is one of the issues that has come up. I think we can work our way through that. There are people suggesting seasonal sorts of notification about what might happen and a reasonable approach to those sorts of issues.

**Ms FORREST** - As far as the regulatory impact statement, is one being prepared as part of this process?

**Mr SCHAAP** - The instruction that we had from Treasury on this exercise was that rather than do an RIS on the draft regulations that were put out for public consultation, an assessment will be made on the basis of that consultation exercise to see whether a further RIS is needed for the subsequent draft of the regulations. That will depend on the extent to which they are amended and the extent to which the public comment demonstrates an impact on business. So that assessment will be made at that time.

[6.00 p.m.]

**Ms FORREST** - Have there been a number of issues or problems with the current deadly chemicals controlled use regulations that have led to this change? Some in the industry believe it is quite significant. Some of it is based on fears of what might be included as opposed to what might be included at this stage.

**Mr LLEWELLYN** - We are going through a discussion stage at this point. You have to have something to start the discussion.

**Ms FORREST** - The question is: have there been problems with the current regulations that led to this?

**Mr LLEWELLYN** - We get dozens of queries about these sorts of issues.

**CHAIR** - They are queries. The queries are one thing but are they substantiated claims? That is the issue.

**Mr LLEWELLYN** - Some of them were very hard to substantiate, not on the basis that they are not probably real but on the basis of the way the legislation is at the moment.

**Mr SCHAAP** - The major thrust with the new approach is about trying to specify what the outcomes have to be for the use of chemicals and providing outcomes which can be enforced by law. The current regime has controls on what people can do but unless you are actually there witnessing for the purposes of evidence subsequently what people are doing at the time, gathering any evidence to sustain a prosecution is very difficult.

So what we are setting here with this regulatory approach is something based on the outcomes of the use of those chemicals rather than the manner in which those chemicals are used. That is quite a major shift.

**Ms FORREST** - So do you have evidence of problems that have led to this? That was the question I had. What has occurred, do you have any evidence or any reports or any details of instances that you can provide to us?

**Mr LLEWELLYN** - We do, now that we have a regime of testing our waterways. We have 55 sites and there will be many more than that into the future where we make assessments. We make those transparent and we publish those on a regular basis and you find levels of chemicals in our waterways. What we need to do is to find how those situations occur and try to address it, and try to educate the community to ensure these things do not happen into the future.

**CHAIR** - I specifically asked that question of Dr Taylor yesterday in the Health Estimates and we talked about the pesticide detections in the Tasmanian waterways and as he said all were within or well below the Australian drinking water guidelines. If we are going to have chemicals in agriculture, there will be some detection from time to time, so what is the issue?

**Mr LLEWELLYN** - And we are not going to be punitive about that but if we can locate where these situations develop and we can suggest better techniques and better ways of approaching things by farmers or aerial sprayers or people spraying tree plantations and so on then that is a step in the right direction.

**Ms FORREST** - The current regulations do not allow you to do that, is that the issue?

**Mr LLEWELLYN** - It is very difficult, as Alex has said, to follow these things up in any real way. From the point of view of the punitive aspects associated with them it is not intended in the new regime that we apply a heavy hand on this issue. It is a soft approach more than anything. But it is a change and if it can be proved that someone is being irresponsible in the use of chemicals, even though the ultimate result might not exceed health criteria and so, the fact is that they are being irresponsible. I think that is a step in the right direction of trying to preserve our image and our branding and everything else.

**Ms FORREST** - Can you provide a summary of these instances that have occurred over the last two years to demonstrate that there have been these situations. All I am asking for is a summary, at least of the incursions or breaches of the regulations or threats?

**Mr LLEWELLYN** - I do not know. I think we could collect a fair number.

**Mr SCHAAP** - We keep a record of the complaints for the spray referral unit about chemical usage and those complaints might be about the neighbours spraying or chemical on a property. As the minister said, one of the difficulties has been in following up those complaints; we have not had a statement of outcome in the regulations that we can enforce. What we have had to do is to prove adverse effect under the terms of the Agricultural and Veterinary Chemicals (Control of Use) Act. What these new regulations do is describe what adverse effect would constitute in a range of different circumstances. This gives both people who are concerned about chemicals and those applying chemicals a clearer understanding of what would constitute an offence under the act - by describing those outcomes in the regulations.

**Ms FORREST** - I do not think many people would have an argument with that. But are you able to provide a summary of these events that have occurred in the last two years?

**Mr SCHAAP** - We could certainly provide a summary, but we would need to remove names and addresses obviously.

**Ms FORREST** - That is fine.

**Mr LLEWELLYN** - There has been 33 incidents investigated by the Spray Information Referral Unit since July 1007. These range from allegations of spray drift to failure to notify neighbours of intent to spray and so on.

**Ms FORREST** - If you could provide a breakdown of that, I think it would be helpful to the committee.

**CHAIR** - Is it fair to say, Minister, that some of those could be vexatious? There are people in the community who do not agree that chemicals should be used in agricultural forestry at all and therefore they would be frivolous and vexatious.

**Mr LLEWELLYN** - Some may well be, but on the basis of this new regime I think we could identify clearly that they are vexatious. In the previous arrangement you had to take people's word and follow it up.

**CHAIR** - Also, most agriculture products have to go through a QA system where you have to have residue testing of the product and everything else. Surely does not that all cover our product? You are talking about clean and green, but doesn't that cover it.

**Mr LLEWELLYN** - Yes, I think it does. That is the very point of having some good education and good processes in place to reduce minimal residue levels. If we, for instance, export products to Japan and if the Japanese agencies find that there is a minimal MRL breach, then it not only affects that particular person - it infects the State. They will cut off access.

**CHAIR** - But all that regulation is in force at the moment though, is it not?

**Mr LLEWELLYN** - Exactly and that is why we have to make sure that we do not breach it. Regulations in order to try to improve that are what is needed.

## UNCORRECTED PROOF ISSUE

**CHAIR** - I think that is going to be a debate we are going to have later.

**Ms FORREST** - What threats have there been to biosecurity in the last year - besides foxes?

**Mr LLEWELLYN** - Fruit fly. Equine influenza.

**Mr SCHAAP** - We have had a number of interceptions at the barrier and a number of matters reported by the public. The minister has just highlighted a couple of them. We have had concerns about fruit fly in particular this year because Victoria has had an unusually bad year in the number of fruit fly incursions. Some of those incursions have been very close to the Melbourne Markets where much of our fruit transits through. We have had to institute new protocols as the Melbourne Market about ensuring that the fruit that is at the market is not contaminated with fruit fly from the local infestations. That has been an issue. We have also found some larvae of species similar to the listed fruit fly species in fruit in Tasmania and that has highlighted some issues in import protocols. We have had the equine influenza issue, which has required considerable resources to manage in Tasmania, even though we were fortunate not to have a confirmed positive result in Tasmania. Beyond that and the fox, the other incursions tend to be odds and ends rather than ongoing threats.

**Mr LLEWELLYN** - The other issue that we have gone on high alert over is the abalone viral ganglioneuritis issue. We have redoubled our efforts at the barrier on that because obviously we do not want that brought into the State. It is in Victorian waters.

**CHAIR** - Thanks, Minister. On behalf of the committee I would like to thank you for your forbearance. It has been a long day with a lot of different outputs. We could have gone longer, we know, but I think we have given it a good shot. We know you have been ill through the day but you have recovered well and I think you will walk out of the Chamber unaided. Thank you to all your staff today.

**The committee adjourned at 6.13 p.m.**