

# UNCORRECTED PROOF ISSUE

**Monday 27 June 2011 Estimates Committee B (McKim) - Part 1**

## LEGISLATIVE COUNCIL

## ESTIMATES COMMITTEE B

**Monday 27 June 2011**

### MEMBERS

Ivan Dean  
Craig Farrell  
Kerry Finch  
Mike Gaffney  
Vanessa Goodwin  
Tania Rattray (Chair)  
Adriana Taylor

### SUBSTITUTE MEMBERS

### IN ATTENDANCE

**Hon. Nick McKim MP**, Minister for Education and Skills, Minister for Corrections and Consumer Protection, Minister for Sustainable Transport

#### **Department of Education**

**Colin Pettit**, (Secretary  
**Jenny Gale**, former Acting Secretary  
**Liz Banks**, Deputy Secretary, Early Years and School  
**Malcolm Wells**, Deputy Secretary, Post Year 10  
**Andrew Finch**, Deputy Secretary, Corporate Services  
**Mike Brough**, General Manager, Skills Tasmania  
**Malcolm White**, CEO, Skills Institute  
**Siobhan Gaskell**, Director, LINC Tasmania  
**Nick May**, Manager, Finance and Resources  
**Sue Kennedy**, Manager, Portfolio Co-ordination Unit

#### **Department of Premier and Cabinet**

**Greg Johannes**, Deputy Secretary, Policy  
**Nick Evans**, Director, Policy and Programs, Program Development Unit  
**Wendy Spencer**, Executive Director, Office of Climate Change

**Department of Justice**

**Lisa Hutton**, Secretary  
**Michael Stevens**, Deputy Secretary  
**Robert Williams**, Deputy Secretary  
**Greg Partridge**, Acting Director of Prisons  
**Chris Jacoor**, Department Liaison Officer  
**Chris Batt**, Director, Office of Consumer Affairs and Fair Trading

**Ministerial Staff**

**Andrew Perry**, Head of Office  
**Babette Moate**, Sustainable Transport adviser  
**Debra Rees**, Corrections and Consumer Protection adviser  
**Terry McCarthy**, Education and Skills adviser  
**Sonja Bolonja**, Education and Skills adviser

**The committee met at 9 a.m.**

**DIVISION 7**

(Department of Justice)

**CHAIR** (Ms Rattray) - Good morning everyone and welcome, Minister. It is my intention that we begin with Corrections and Consumer Protection and around 11.30 a.m. we will deal with Sustainable Transport and from 3 p.m. onwards we will deal with Education and Skills. Minister, I have already signed the request that we extend our time beyond 5 p.m., which I think will be necessary. If we can start Education earlier we will do so.

**Mr McKIM** - I am entirely in the hands of the committee, Madam Chair. Just to be clear, I point out that Consumer Protection and Sustainable Transport are supported by different agencies, so it would be helpful if they could be dealt with as discrete areas of inquiry by the committee. I am supported by Justice in Consumer Protection and by DIER in Sustainable Transport.

**CHAIR** - The committee have undertaken that between 12.30 and 1 p.m. we will do Consumer Protection and between 2 p.m. and 3 p.m. Sustainable Transport. We believe there is no Alternative Energy - we couldn't find anything in the Budget on that.

**Mr McKIM** - No, the portfolio was changed.

**CHAIR** - Minister, I would ask you to provide an overview of the Corrections portfolio.

**Mr McKIM** - Thank you Chair. Let me introduce Lisa Hutton, who is the Secretary of the Department of Justice and on my left is Robert Williams, who is Deputy Secretary of the Department and of Corrective Services, and Mr Michael Steven, who is the Deputy Secretary of the Department of Justice.

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Obviously we have had a challenging but rewarding time in the Corrections portfolio over the last 12 months. Some of the difficult periods we have been through would be well-known to members. But I also want to stress that I think we have taken a significant step forward in this portfolio in the last 12 months and I now believe we have the tools we need to embark on a series of reforms in the portfolio that I believe will help us modernise Corrections in Tasmania and deliver far better outcomes, not just for people who come into direct contact with the Corrections system but also to the entire Tasmanian community because it is the community that benefits when Corrections is improved.

Obviously, I have recently released the Palmer Report and I would expect that we would discuss that at some stage today, and I see the member for Pembroke is agreeing with me there. Obviously I would not have commissioned a report from someone of the stature of Mr Palmer if I hadn't believed there were issues that need to be addressed at the Risdon Prison Complex. And that has been confirmed in the report that he gave to me. That report, along with a review of occupational health and safety at the prison, which was done by Workplace Standards Tasmania and the strategic plan *Breaking the Cycle*, as well as the strategic plan on education in our prison system, we have the tools we need to move forward and bring about the changes in the prison system and Corrections more broadly.

Members will be aware that funding has been provided in the Budget announced by the Treasurer recently around some aspects of the Palmer Report, particularly recommendation 1A, which is to appoint a skilled and competent person with a reputation for effective change management to drive the operational reforms outlined in the Palmer Report, and we have a process underway to identify the best person that we can find for that role.

Also, we have brought forward funding to allow for the expenditure of \$3.5 million in the upcoming financial year to take care of some of the urgent infrastructure needs at RPC. We have decided, after reviewing the Palmer Report and talking to other stakeholders having a look at where we are at the moment, that the urgent infrastructure requirements include increasing the size of the exercise yards in Derwent A and B and Mersey - they are maximum security units - constructing a gymnasium building, including three multipurpose rooms for programs like education and also construction of enhanced exercise and education facilities on the northern end of the Tamar Unit by a total of four separate areas that can be used concurrently.

I would like to be quite clear that this funding is actually funding brought forward so it is not, as they say, new money. It has been brought forward from previously allocated expenditures in previous budgets so that we can address as soon as possible some of the infrastructure requirements at RPC. Effectively RPC has not been finished being built yet, and that has always been understood by the Government, and that is why there has always been - at least to date - money in the forward Estimates for further infrastructure works. But we really hope that by addressing the urgent infrastructure requirements that were identified by Mr Palmer, as well as some identified by the Ombudsman in his report into the Tamar Unit, we hope that we can make the prison a healthier place for everyone - the people who work there and the people who live there. I hope by doing that we can reduce tensions within the prison, create a healthier prison environment and assist in the implementation of the recommended cultural and operational reforms.

Madam Chair, there are a number of really good things going on within the Corrections system. For example we have Justice literacy coordinators commencing very soon, employed by

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one of my other departments - the Department of Education - through LINC Tasmania, but they will work within the Justice system. We now have a strategic plan around educational training, and as I have previously announced, this will result in 20 000 contact hours of vocational and educational training in our prison this current education year. This is a significant improvement on the number of contact hours delivered in previous years.

We have the Pups in Prison program, which is well-known. We have Reading Together. We have Peer Literacy Choosers who operate in our prison, where inmates train to teach their fellow inmates to read and write, and we will continue to expand that program. We have the Peer Supporter Program, with the support of the Red Cross, and a number of very good third parties and NGOs that we work with to deliver programs in our prison system. In Community Corrections we will continue to deliver Sober Driver, which has proven to be a very popular program to have people referred to by our magistrates. In 2012 we will introduce a new program in Community Corrections, including sexual offender interventions tailored to individual offender needs.

So there is a lot of good news. I expect the committee will focus on some of the difficulties that we have - and I understand that - but there is a lot of good that we are doing in our Corrections system and there are a lot of people doing really excellent work and working very hard to deliver for the community.

**CHAIR** - Thank you, Minister, we appreciate that overview and I am sure that there will be some questions come out of that. In fairness to the honourable member for Pembroke, who has been given the lead on this, I invite her to begin the questioning.

**Dr GOODWIN** - Minister, I will launch straight into the Palmer Report, which is very topical and very important. On page 9 of that report, Mr Palmer points out that many of the factors that have led to the problems of the prison have had quite a lengthy gestation period, and the warning signs should have been apparent for some time. Can you explain why these problems were allowed to fester to such an extent that Risdon Prison is now considered to be largely dysfunctional and also to be at risk of the occurrence of serious riot and disorder. These multiple problems have been identified and need to be urgently addressed.

**Mr McKIM** - You would be aware that I have been minister for 15 months or so now, and obviously RPC has been in operation for a number of years. I am not here to explain what may or may not have happened before I was minister - that is obviously the responsibility of previous ministers, but what I can say is that since I have become minister, we have had some difficulties and challenges in the portfolio and certainly the news that we could not guarantee to contain maximum security inmates in their cells at Risdon was a significant issue for us. You would be aware of the history behind that and the actions we took. I can probably discuss those in more detail as we move forward through the committee this morning.

After a relatively short period in the portfolio it became clear to me that we needed to bring someone in of the status of Mick Palmer to have a look. I believe I have taken the strong and appropriate action necessary to identify some of the issues by an independent person. I have been open and transparent about that and his report is what it is.

In terms of the last part of your question - the quote you referenced from Mr Palmer - is in effect that if we don't take the necessary action we may be facing those things and that is why we are taking the necessary action.

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**Dr GOODWIN** - I guess there is an accountability issue, isn't there? It does say that there has been a long gestation period and I guess the question that both I and the community would be asking is: who will be held accountable for this?

**Mr McKIM** - There are many previous ministers in this portfolio -

**Dr GOODWIN** - Yes, frequently!

**Mr McKIM** - Yes, well this one is here to stay, I hope - not to stay forever, obviously - but I believe in what we are trying to do in this portfolio at the moment; I am very personally committed to it. I believe that, along with TPS and with the Department of Justice, we have embarked on an ambitious prison reform agenda and I am personally very committed to it.

As I have previously said, Dr Goodwin, I do not take responsibility for all of the history that has led us to where we are today, but I do take responsibility for fixing it up and making the necessary decisions.

**Dr GOODWIN** - And you will be held to account?

**Mr McKIM** - My word, and so I should be.

**Dr GOODWIN** - I have another question concerning the Palmer Report. On page 135 it is stated that it is believed there have been an increased number of prisoner-on-prisoner assaults since the stand-down on 21 February. Are you able to confirm that?

[9.15 a.m.]

**Mr McKIM** - I do not know if we have those numbers here. I will seek some advice on whether we can confirm whether we have an increased number of prisoner on prisoner assaults in that period.

**Dr GOODWIN** - Do you want me to ask another question while you are searching?

**Mr McKIM** - Thank you.

**Dr GOODWIN** - You have announced the closure of the Hayes Prison Farm, which you describe in your media release as 'ageing and dilapidated' and would need about \$4.5 million spent on it. Can you explain why that facility was allowed to get into such a dilapidated condition?

**Mr McKIM** - Dr Goodwin, again, I am absolutely not here to take responsibility for decisions or any lack of decisions made by previous governments and previous ministers. What I am here to do is make decisions with the portfolio that I am presented as minister. What I can say about Hayes, and I welcome the opportunity to place this on the record, is that far from some of the comments that have been made publicly about Hayes, I believe the decision to sell the Hayes Prison Farm which has been made recently by the Government will help us to modernise and bring to a more contemporary setting some of the things that we do in our prison system.

My advice is that, just to bring it up to a basic standard, Hayes would have required about \$4.5 million extra spent on it. Obviously the Government is operating very tough financial

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times at the moment. My view is that it would be unlikely that the Government would be prepared to allocate another \$4.5 million to the prison system to bring Hayes up to standard. That was for such basic things as fire protection and detection services.

**Dr GOODWIN** - You have only just upgraded that though, \$500 000?

**Mr McKIM** - That was relatively recently, yes, but we are talking here about upgrade of basic water and sewerage services, for example, to address urgent health and safety issues. That is on my advice \$1.8 million in addition to the half a million already spent on fire protection and detection. We have a requirement to upgrade cells and some of the other infrastructure at about \$2 million. We would be required to spend \$200 000 on repairs or replacing some of the farm equipment. There are pasture improvements needed and half a million on repairs and improvements to water and irrigation systems. Instead of needing to find that money to bring Hayes back up to a basic standard, the decision we have taken is to sell Hayes Prison Farm. The time frames are not immediate in terms of the farm being put on the market tomorrow. There is a number of things we have to do to prepare the facility for sale.

**Dr GOODWIN** - No doubt you want to get as much money for it as you can.

**Mr McKIM** - One of those things is to look at options for us to maximise the price. I indicate that every dollar we get from Hayes will be reinvested into infrastructure in the prison system. That will be in approximate terms refurbishing two divisions in Ron Barwick to provide for 62 additional cells, the development of a prison industry facility on the Risdon site. I am happy to talk more about the way we are moving forward around the prison industry. By the way, I am certainly not ruling out vegetable processing as one of the potential options. So people who think that we have made a decision to end vegetable processing in the TPS are wrong, although it may not end up being vegetable processing, it may end up being something else but we have a process.

**Dr GOODWIN** - It is a profitable industry at the moment, is it?

**Mr McKIM** - Vegetable processing does bring in revenue. I am very happy to talk about that in more detail. But also importantly we will commence the construction of a pre-release transitional centre on the Risdon site. We are one of the very few prisons, and certainly the only State that I know of, that does not have a transition centre. You have expertise in this area, Dr Goodwin, you would know how important it is to manage and assist people to the greatest degree possible in that transition time, particularly people who have been incarcerated for a long period of time. That will be an open secure facility of the same security nature of Hayes, however not based as a farm but based as a transition centre. I think the decision we have made is within the context of our strategic plan *Breaking the Cycle*. It will help us modernise corrections infrastructure and deliver better outcomes.

**Dr GOODWIN** - How much will it cost to prepare Hayes for sale and also to upgrade the Ron Barwick facility so that you can move the Hayes prison into it?

**Mr McKIM** - We think the upgrade of Ron Barwick - and these are indicative costings only I should add - the refurbishment of two divisions in Ron Barwick will cost us about \$350 000. In terms of preparing Hayes for sale, that will certainly take some time and effort but we expect to net between \$2.2 million and \$2.5 million. We have not had formal advice as yet on how much it

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will actually cost to prepare for sale and on what we might expect to receive from any sale, but our preliminary expectation is somewhere between \$2.2 million and \$2.5 million.

**Dr GOODWIN** - In relation to the appointment of the skilled administrator as recommended by Mr Palmer, how much funding has been allocated to that and where does that allocation fit in the budget?

**Mr McKIM** - Do you mean to source the person or to pay them?

**Dr GOODWIN** - Both.

**Mr McKIM** - From memory it is \$670 000 over two years. I will just confirm that figure for you.

**Dr GOODWIN** - That is in the current year funding?

**Mr McKIM** - It is not recurrent because it is a two-year decision. It is \$335 000 this year, I am advised.

**Dr GOODWIN** - There has been some variation from the forward Estimates last year to this year's Budget and the forward Estimates has had increased funding allocated. Part of that would be for the skilled administrator. Do you know what the rest of that money is to cover, increased costs or?

**Mr McKIM** - I will roll through what we call the offs and ons.

**CHAIR** - Would you like to table that?

**Mr McKIM** - I am very happy to table that.

**CHAIR** - That might save a bit of time.

**Dr GOODWIN** - I am happy for you to table it and we will look at it at our leisure. If I could ask about the \$20 million invested in the capital investment program for stage D. That addresses some of the recommendations in the Palmer Report. How are you going to fund the other recommendations, most of which the Government supports in principle, as I understand?

**Mr McKIM** - Yes, you are right. There are a couple of things I want to say. Firstly we have brought forward \$3.5 million of the PIRP stage D, as I said in my overview, to address some of the urgent infrastructure requirements. We are also going through a process of consultation with key stakeholders, including people that work in the prison system, the managers of our prison system around priorities for the rest of the PIRP stage D funds. We have not made decisions about how to expend anything beyond \$3.5 million at the moment, although there are some key themes that will emerge from the consultation process that we are working on. That process is being overseen by Mr Barber. On the part of your question related to the funding of other aspects of the Palmer Report, the Government has made a decision to bring forward the \$3.5 million as well as deliver the money for a change manager, which we thought were the two most urgent recommendations in the Palmer Report. We are also moving forward around an independent inspectorate.

**Dr GOODWIN** - And I am very glad to hear that.

**Mr McKIM** - I am sure we can talk about that at some stage and I am very glad as well that we were able to do that. With the rest of the recommendations that were supported in principle by the Government, within the normal processes of government we have referred those to the budget subcommittee of Cabinet. Once the budget subcommittee meets, which is a matter for the Premier in terms of the timing, those will be assessed within the normal processes of government.

Could I say that even though some of the recommendations in Palmer would intuitively cost nothing or only a small amount to implement they can often cost more than some would imagine due to the fact that obviously we operate the prison 24/7. For example, with some of the recommendations around training correctional officers, which certainly have been supported by me and by the Government, would have significant costs because obviously if you want to take people offline to train them, you need to pay people overtime to come in and fill those positions or you need to lock the prison down or part of the prison down to provide for that training. That is something we are trying to avoid doing as much as possible for obvious reasons. So there are costs either in time or in money to implement many of these recommendations. We will work through the process. Once we have a change manager in place, no doubt that person will be able to provide us with some guidance in terms of prioritisation. We are working very hard already on a number of those recommendations. Some have been adopted and have been implemented. Others we are working very hard on at the moment, including some of the recommendations that were not released publicly. We are working hard to address some of those issues and we are making progress in those areas.

**Dr GOODWIN** - What will the \$3.5 million allocated for this year be used for?

**Mr McKIM** - As I explained in my overview, it will build a gymnasium.

**Dr GOODWIN** - So it is all those things you mentioned?

**Mr McKIM** - It is all those things I mentioned in my overview. Obviously there have been tensions in the prison system and, as I have previously said, some of those tensions have been between management and correctional officers and other tensions have no doubt been between correctional officers and inmates. What I would like to do in broad terms is do what I can as minister to reduce the tensions in the prison system because I think that leads to better outcomes for everyone in the system, whether they be inmates, correctional officers, non-union staff, managers and ultimately hopefully better outcomes for the Tasmanian community.

We have focused on what we thought were the areas of most need. The construction of enhanced exercise and educational facilities on the northern end of the Tamar unit was part of the Ombudsman's recommendations when he conducted his inquiry of our unit that we discussed last year in budget Estimates. A gymnasium is an obvious build in my view. The lack of a gymnasium was identified by Mr Palmer in his report. I can assure you that we had already noticed that and it was something we wanted to move on as soon as possible. There will be rooms for programs including education as part of that gymnasium block that we will build. We will also be increasing the size of the exercise yards in Derwent A and B, Huon and Mersey. Once we can put those in place, and I hope we can do these as soon as possible.

**Dr GOODWIN** - For the \$3.5 million you will be able to do all that, you think?



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**Mr McKIM** - We believe so. I should indicate that building things in a prison is a lot more expensive than building things outside a secure facility.

**Dr GOODWIN** - And costs blow out, as we have seen with the prison previously.

**Mr McKIM** - Costs can blow out from time to time in all government projects and in fact many in the private sector as well, Dr Goodwin. Mr Williams has just reminded me quite accurately that some of that \$3.5 million is also to be used for planning for the rest of PIRP stage D over the next couple of financial years.

**Dr GOODWIN** - You had \$100 000 to do something in this year's Budget. What was that?

**Mr McKIM** - That was for planning for PIRP stage D.

**Dr GOODWIN** - So you are going to do more planning?

**Mr McKIM** - We have done some of the preliminary planning with that \$100 000, and that is the project, as I mentioned earlier, that Mr Barber is overseeing for us. That is why Mr Partridge is here today. Greg Partridge is acting director of the TPS. He is happy to come and have a chat to the committee, if that is the will of the committee at some stage.

**Dr GOODWIN** - Mr Barber will continue in this planning role?

**Mr McKIM** - To oversee that, yes.

**CHAIR** - Thank you, Minister. Before I hand over to Mr Dean, in relation to the literacy program, can I ask who funds that, whose budget does it come out of - the education?

**Mr McKIM** - That is from my other pocket.

**CHAIR** - So the Education department will fund the literacy programs for the prison system?

**Mr McKIM** - When I answered from 'my other pocket', I was referring to the \$20 000 of vocational education and training. We have other literacy programs that we fund that are, I believe, worth it.

**Dr GOODWIN** - But that will be an extra on top of the ones that are already funded?

**Mr McKIM** - We fund some things - I mentioned the justice literacy coordinators. They are employed by DoE.

**Dr GOODWIN** - Yes. I just wanted to clarify who paid for that.

**Mr McKIM** - Those justice literacy coordinators are funded by the Department of Education, but they will work exclusively within the justice system.

**Dr GOODWIN** - That is fine, because that's another area that we will be looking at later today.

**CHAIR** - Minister, Mrs Taylor would like to ask a question in relation to that specific item.

**Mrs TAYLOR** - It was really about *Breaking the Cycle*. I applaud what you are saying about the money that will be spent on improving Corrective Services, but *Breaking the Cycle*, of course, is a very important initiative that you have been funding, that has been funded. Will that continue or are you reducing that?

**Mr McKIM** - *Breaking the Cycle*?

**Mrs TAYLOR** - The goals of that.

**Mr McKIM** - The goals will continue. *Breaking the Cycle* is really a strategic plan for Corrections in Tasmania - not just for the prison system but for Corrections more broadly, including community corrections. The process was begun by the previous Minister, Lisa Singh, and credit to her for doing that. It is the result of a long period of general consultation with a range of stakeholders, and I would expect that *Breaking the Cycle* will guide Corrections in Tasmania in terms of a strategy for some time, although these things are always able to be challenged or not by future ministers. You can never bind future ministers to any particular strategy, but I believe that *Breaking the Cycle* is the right strategy for Corrections in Tasmania. It focuses on a lot of non-custodial initiatives, and in my foreword I firmly endorse prison as a last resort in terms of sentencing for Tasmania. I am very happy to talk about *Breaking the Cycle* but, in terms of your question, it will certainly continue to guide my strategy as minister for as long as I am in the role, and I would expect and hope that it will guide the strategy of the department for a long time.

**Mrs TAYLOR** - So the Prisoner Release on Parole program, for instance, is part of *Breaking the Cycle*?

**Mr McKIM** - It is part of what we do in Corrections, and what we do in Corrections will now be guided by *Breaking the Cycle*. That is probably the best way I can put it.

**Mrs TAYLOR** - Yes. The evaluations are showing that it is very successful.

**Mr McKIM** - Which program is this?

**Mrs TAYLOR** - The PROP, Prisoner Release on Parole.

**Mr McKIM** - PROP, yes.

**Mrs TAYLOR** - That will continue to be funded?

**Mr McKIM** - Yes, absolutely. That is a program funded by the Health department, is my advice. We have contributed in recent years some of our funds to keep that program going. I am not in a position to give you any guarantees around the future of that program, as it is funded substantially by another agency.

**Mr DEAN** - For the last four or five years I have continually raised with the prison the situation of overtime, sick leave and all of those areas. My question again is, how are we travelling at this stage? Very clearly, there was evidence of systemic problems within the prison service and nothing really occurred. What is happening now in that area?

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**Mr McKIM** - You will be pleased to know, Mr Dean, as with many things since I have become a minister, we are now moving to address these issues. I do not know how history will view me as a minister, but I will tell you one thing: I don't reckon it will view me as a do-nothing Corrections minister.

**Dr GOODWIN** - As long as you implement all these recommendations that are being made.

**Mr McKIM** - That is right. I am very happy to be judged and held accountable for that, Dr Goodwin.

**Mr FINCH** - And that you have time to do.

**Mr McKIM** - There is a fair bit on at the moment, Mr Finch, of course. The general thrust of your comments is correct, Mr Dean. For some time there have been issues around overtime in our prison system, and those issues continue, but what we have done is to develop an absence management strategy. So we had an audit done by KPMG. That has been released publicly and I believe it is on the DOJ website.

**Dr GOODWIN** - It is. I have a copy of it here.

**Mr McKIM** - Yes, it is.

**CHAIR** - We can pass you one over, Minister, if you want one.

**Mr McKIM** - I have seen that, do not worry, Madam Chair. Thank you for your assistance, though. So obviously, in the awareness that there was an issue, we had KPMG do an audit, which, as I said, is publicly available, and having had that audit, we have now moved to develop an absence management strategy that we believe will help us get on top of the overtime.

What we have decided to do, rather than roll that strategy out immediately, is to have this issue dealt with by the change manager whom we will appoint shortly, or as soon as possible, to oversee the implementation of the Palmer Report. The reason we have decided to do that is that, while certainly we have had some industrial issues at the prison recently, we now have, I believe, a very good relationship with unions and with staff at the prison and, rather than move forward in an ad hoc way around an absence management strategy, we thought it would be best to move forward around absence management at the same time as we move forward around a range of other things in terms of change management in the prison.

**Mr DEAN** - So is there a chance of getting the amount of overtime that has been worked in the prison in the current financial year as compared with the last year and -

**Mr McKIM** - Yes. I can give you those figures now. How far would you like to go back?

**CHAIR** - We are happy to table it unless you want -

**Mr McKIM** - Perhaps if I use 2009-10 as a base line, if you like -

**Mr DEAN** - Yes.

**Mr McKIM** - Overtime spent in dollar terms in 2009-10 was \$3 665 927.

**CHAIR** - A lot of money.

**Mr McKIM** - It is a lot of money, and that is an overspend -

**Mr DEAN** - That is in overtime?

**Mr McKIM** - Yes. That is an overspend of \$1.85 million. That is last year. This year we are running significantly higher than that.

**Mr DEAN** - Throw it to me what this year is.

**Mr McKIM** - This year as at 3 June, \$4.475 million, and the estimate for a full year is \$5.1 million, so that is an overspend of over \$3 million. I do want to be clear about this: there has been significant industrial tension at RPC this year due to the decision that was made to stand down some correctional officers because they were going to lock the prison down indefinitely unless they got their way on a couple of things, which I was not prepared to put up with, as I said at the time. I will not have prisoners used as pawns in industrial action by our correctional officers. I am very happy to answer those questions, but I have a duty of care to the inmates in our correctional system and I take that duty of care very seriously.

I am certainly not here to defend those figures. They are very high figures that are costing the taxpayer an awful lot of money. But what I am here to do is to tell you that we do now have a strategy that I believe will help us get on top of those blowouts. These are historical blowouts that go right back to well before my time as minister, and we do have a strategy to get on top of those. As I said, we will be rolling out that strategy once we have put a change manager in place.

Can I also indicate that not only have had the industrial tensions I spoke about, but we obviously had an emergency at the prison late last year when we had to move all of our maximum and medium security inmates that were in RPC across to Ron Barwick. That resulted in significant overtime over and on top of our normal overtime bill. So although those figures are very high, there were unique circumstances at the prison in that particular financial year that have led those figures to be higher than they otherwise would. But, even if you remove the emergency that we had around the maximum security cells and the decisions we had to make there and the troubles we had around industrial issues earlier this year, we still have an unacceptably high overtime bill in my view, and that is why I have moved strongly to address the issue.

**CHAIR** - Can you quantify that number that the emergency caused?

**Mr McKIM** - I do not know if we can do that. What I can tell you is that the emergency itself - and, again, when I talk about the emergency I use that word advisedly because there was a state of emergency at the prison declared by Mr Partridge, the acting director, and there were significant costs incurred by that. Off the top of my head that was around \$2.4 million, and certainly apart from that we have been in overtime payments. I will just see if we can source that information for you.

**CHAIR** - The member is still in shock, Minister.

**Mr DEAN** - I am still in shock as I am trying to get my next question organised. My next question is going to be -

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**Mr McKIM** - If I could perhaps assist the committee, overtime for TPS staff during the emergency was \$926 000. So that has added pretty close to \$1 million, just that one security issue where, unfortunately, the fabric of the infrastructure there was not suitable to contain maximum security inmates in their cells. You want to talk about shock - you should see the look on the Corrections minister's face when someone comes around to his office and tells him, 'We can't keep maximum security inmates in their cells in a prison that's less than five years old.' That is one of the things that we had to deal with this year.

**CHAIR** - So has the contractor been spoken with in relation to that issue?

**Mr McKIM** - Yes, my word. The contractor is being spoken with in relation to that issue. As I have previously said publicly, the matter was referred to crown law to see what, if any, legal redress may be available to the Government or the taxpayer.

**CHAIR** - Don't tell me it is a Fortescue issue.

**Mr McKIM** - I am certainly not telling you that, but what I am telling is that the matter is, as I understand it, still being considered. There are discussions under way between the Department of Justice and the contractor in that particular case. How that will be resolved ultimately will be revealed in the fullness of time.

**Mr DEAN** - If I can just follow through, emergencies in the prison system will always occur, we know that. What strategies are in place to work within those emergencies that do arise and will arise from time to time? Surely there must be some strategy that you have in place for personnel working in those environments?

**Mr McKIM** - We have a range of strategies both within the department and within the TPS to deal with various potential scenarios that might occur in our prison from time to time. Running or working in a prison is not completely dissimilar to running a police service, Mr Dean, which you have some experience in.

**Mr DEAN** - They certainly do not have that amount of overtime, I can assure of that, Minister.

[9.30 a.m.]

**Mr McKIM** - No, they do not, that is very true, but neither have they had to deal with some of the issues that we have had to deal with over the last 12 months in Corrections. The simple fact is that there was a prison built, it was less than five years old and it was basically unfit for purpose. So I make no apology for the decisions we made around that. I accept no responsibility for the fact that it was built unfit - built, designed or provided unfit - for purpose, but what I do accept responsibility for is addressing these issues, as I have previously said.

**Mr DEAN** - Can I ask you what the staffing levels are now as against last year? This overtime was raised. It was suggested then by the minister that they would consider the employment of more personnel, which with the expenditure of \$3.66 million-plus, one would have thought was quite a large component of warders.

**Mr McKIM** - What do you mean, what the staffing levels are now?

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**Mr DEAN** - This current year has the staffing level increased at all in the area of administration and in the area of those working within the service, with prisoners?

**Mr McKIM** - No, it has remained pretty much static.

**Mr DEAN** - It has remained static, so there has been no movement there at all.

**Mr McKIM** - The number of actual positions in the TPS has remained the same.

**Mr DEAN** - Thank you.

[9.30 a.m.]

**CHAIR** - Mr Finch, if you are able to proceed now.

**Mr FINCH** - Yes. I will try not to make too much of a comment and get down to questions. I cannot believe that we are dealing with \$4.47 million in overtime. Last year at budget estimates, Mr Dean and myself did some questioning on the overtime, and we went through it. You gave us the figures.

**Mr McKIM** - Yes.

**Mr FINCH** - For 2005-06, and the fact that it was over budget. We went through the list.

**Mr McKIM** - Yes, I remember that.

**Mr FINCH** - And here with again. And I would imagine that budget Estimates is a time for us also, particularly Legislative Council committees, to signal our concerns to the ministers and to the bureaucrats who are involved.

**Mr McKIM** - Absolutely. I share your concerns about this.

**Mr FINCH** - I do not think that we could have given a bigger signal last year than expressing our huge concern about this area, and here we are coming back this year with \$4.47 million overspend.

**Mr McKIM** - Yes, yes.

**Mr FINCH** - I cannot believe that.

**Mr McKIM** - Well, neither you nor I, Mr Finch, could predict the emergency that we faced.

**Mr FINCH** - That is \$1 million. That leaves it at \$3.47 million.

**Mr McKIM** - But there are also issues that I have also mentioned in answering this question. As I have indicated, we do actually have an absence management strategy that we think will help us get on top of the problem. But, for a whole range of reasons, we have decided not to impose that on people working out there and their unions in advance of having a change manage on board.

**Mr FINCH** - Crystal ball gazing -

**Mr McKIM** - I am very loath to do that.

**Mr FINCH** - We come back next year, we are here next year in 12 months' time, what are we going to be presented with? What do you think about the strategies that you put in place between now and then? What sort of a figure? Can you have a guesstimate?

**Mr McKIM** - Well, I am not going to have a guesstimate as to a figure. But what I will say to you is that I think it is overwhelmingly likely - and it is my fervent hope - that the figure will be significantly lower than the one we are discussing this year.

**Mr FINCH** - I hope my blood pressure will be. As I say, we do our best to signal to you our concerns.

**Mr McKIM** - I share those concerns. That is why we have taken the action we have.

**Mr DEAN** - So in the Estimates process last year and the Palmer report this year; nothing was done in relation to this area at all.

**Mr McKIM** - No, that is just not true to say that at all, Mr Dean.

**Mr DEAN** - Well, what was done?

**Mr McKIM** - As I have already explained to the committee, we engaged KPMG to do an audit so that we can understand exactly what the issues were and particularly how we stacked up with other prisons around the country. Secondly, we have developed an absence management strategy to help us get on top of some of these issues. But could I say -

**Mr DEAN** - What is an absence management strategy?

**Mr McKIM** - Well, I will talk about that in a minute. What I do want to say is that what we are talking about here is being over budget. Now, a budget is a plan, but the fact that we are historically over budget - I think the figures go back to 2005-06, where we were over \$2 million over budget that many years ago - I would argue that there is a structural problem in the way that we budget -

**CHAIR** - You probably did argue, actually.

**Mr McKIM** - I would argue -

**CHAIR** - You probably did.

**Mr McKIM** - Well, I cannot tell you what I did argue, because that would be a matter for Cabinet, but I would argue that there is a structural problem in the way that we are budgeted. When you have overspends of over \$2 million for six financial years now, that leads me to believe that there is a structural problem with the way we are budgeted. Nevertheless, Treasury budgets us as they do, and they are the things that we have to deal with.

Now, in terms of the absence management strategy, what I will say to the committee is this: it would be my preference not to discuss that in detail. The reason for that is that we do need to

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make sure that when we roll it out, it is done in a respectful and engaging way with both the staff in the TPS and their union representatives. So I do not want to potentially impact on the success of that strategy by talking in detail about what it contains, because we simply have not gone through the full implementation process with staff and with their unions as of yet.

**Mr DEAN** - And that is the only action taken?

**Mr McKIM** - What do you mean?

**Mr DEAN** - The absence management strategy is the only action taken in that area?

**Mr McKIM** - Well, that is the obvious action that needed to be taken, and that is what I have done.

**CHAIR** - Thank you, Mrs Taylor, and then I will come back to Dr Goodwin.

**Mrs TAYLOR** - Minister, I just want to add my concern also ton this particular issue.

**Mr McKIM** - I am sure you do.

**Mrs TAYLOR** - In particular, the Premier has very clearly said in all the budget speeches and wherever she has been that when people have said in the past there have been blow-outs, added expenses above budget figures, they will now have to stick to the budget. As you have just indicated, that has been the case with Risdon over the last five or six years - not your fault, but nevertheless, historically, that is true, and it has continued.

**Mr McKIM** - Yes.

**Mrs TAYLOR** - Now, the Premier has said very clearly that this year departments will have to stick to their budgets.

**Mr McKIM** - Yes.

**Mrs TAYLOR** - So, it looks to me as though that there is not enough being allowed -

**Mr McKIM** - I am not going to give away this year yet, with the greatest of respect, Mrs Taylor. We will see how we go this year. But can I just be very clear - I have said this many times - we have had our difficulties and our challenges in this portfolio this year. It is very difficult to roll out an absence management strategy and to do a lot of the work we need to do to bring overtime down when you have a significant emergency situation that lasts for about three months, and that was around the failure in the fabric of the maximum and medium cells, and then you have a serious industrial issue which has flared at the prison and which has led to a number of correctional officers being stood down.

**Dr GOODWIN** - That has been festering for some time.

**Mr McKIM** - It has been festering for some time. I agree with that, Dr Goodwin. What I have tried to do as minister is tackle these issues head on. I have not taken a backward step in corrections in terms of trying to make decisions that I believe will lead to better outcomes for the taxpayer and better outcomes for the people who live and work in our corrections system.



Now, the success or otherwise of my strategies will, no doubt, be revealed in the fullness of time, and we will be here the same time next year - knock on wood - talking about those things. But, over time, there are a number of challenges facing us. We have got the tools, as I said at the start, that I believe will now allow us to move forward and get on top of some of these issues, and that is what I am determined to do.

**CHAIR** - Right. I will go now to Mr Farrell.

**Mr FARRELL** - Yes. Minister, just getting back to the Hayes Prison Farm, I had a couple of questions on the impact on the local economy.

**Mr McKIM** - Yes.

**Mr FARRELL** - What effect do you forecast that its closure will have?

**Mr McKIM** - I do not have any firm numbers on that, Mr Farrell, but my advice is that we do not source a lot of the requirements for Hayes from the local New Norfolk community.

**Mr FARRELL** - Okay. And is there a firm plan for what to do with the land?

**Mr McKIM** - Not as yet, but we will be talking to various people, including council, about that. I understand council is working on an interim planning scheme at the moment that we would be interested in coming to an understanding about that plan and where that is in terms of timelines and what potential impact that interim planning scheme may have on decisions we make around Hayes.

What we intend to do is to engage some professional assistance for the department in terms of maximising our opportunities through this sale process to deliver the best revenue we can. Obviously there are other outcomes that we will need to consider, and that is the view of council, no doubt, but also potentially there may be environmental matters that need to be attended to prior to sale and other things like that. So we will work through a process. It is very early days at the moment. The decision to sell Hayes has only been made very recently by government, as you would be aware.

**Mr FARRELL** - Yes.

**Mr McKIM** - But we will keep working through those, and we will be in close contact with council over this period.

**Mr FARRELL** - Very good. Just for the record, there have been no discussions with the Federal Government to turn it into a detention centre?

**Mr McKIM** - No, to the best of my knowledge there have been none. Robert, you're familiar with this?

**Mr WILLIAMS** - No.

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**Mr McKIM** - Just checking. I am sure I would be aware if there had been those discussions. My understanding is that the Federal Government is moving forward with the Pontville facility and has not expressed any interest at all in Hayes as a place to house asylum seekers.

**CHAIR** - Mr Finch, in relation to Hayes farm.

**Mr FINCH** - No, it is not in relation to Hayes.

**CHAIR** - It is not?

**Mr FINCH** - No, I want to go back to the Palmer report.

**CHAIR** - It is early in the day - I will be generous.

**Mr FINCH** - Thanks. The Palmer report, minister. I just see in what we have been provided here -

**Mr McKIM** - Sorry, what is that?

**Mr FINCH** - Is that the -

**Mr McKIM** - That is what I tabled, okay.

**Mr FINCH** - So we have got here the Palmer report, change management.

**Mr McKIM** - Yes.

**Mr FINCH** - \$335,000. There was a report in the *Mercury*, which never gets anything wrong, that said it was about \$488,000 for the Palmer report. Have you got a definitive figure on that?

**Mr McKIM** - \$488,000 was the cost of the Palmer report, so that was the cost to us of Mr Palmer and his team conducting that inquiry and producing that report. The change management is the funding of a recommendation contained within the report.

**Mr FINCH** - Thanks very much.

**CHAIR** - That's the new position?

**Mr McKIM** - Yes.

**Mr FINCH** - Just in respect of the report, I want to just query some of the things that came down that need to be done in respect of bringing this prison into the twenty-first century. I think the reference in one editorial was that it had just struggled to get into the twentieth century. What has happened in the five years since the prison has been built and those things that need to be established at the prison going forward - you are pulling forward this \$20 million to spend - to improve the conditions? What has been going on in the last five years in respect of these facilities you are going to introduce?

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**Mr McKIM** - There has been a fair bit going on over the last five years, and a lot of people have been working very hard to try and maximise the outcomes from RPC. But I make the point again that that is a prison complex that is incomplete. It has not finished being built yet, and that has been acknowledged by a range of ministers and a range of governments. As evidence of that, I offer you the stage D money, which is the prison infrastructure redevelopment project, stage D. That is for more money to be invested into infrastructure at RPC.

So what we have got is a half-built facility, if you like. Whether it is exactly 50 per cent built, I am not making that assertion, but in the colloquial, it is a half-built facility. That has led, in my view, in large part to some of the problems that we have had at that facility where, quite frankly, inmates, as Mr Palmer found, do not have enough to do in their day. They do not have enough outlets for some of the frustrations that they have. A maximum security prison without a gym, who has ever heard of such a thing?

**Dr GOODWIN** - The old one used to have a gym.

**Mr McKIM** - It has got a footy oval in the middle of it - or a footy rectangle, I should say. But, yes, a maximum security prison without a gym is a bizarre thing, but there you go. That is what I have inherited as a minister. That has caused some of the difficulties we have had at RPC, and that is why Mr Palmer was brought on board. That is why we are paying full respect to his report, and that is why we have brought forward some infrastructure funding so that we can invest into continuing to construct that prison which, as I said, is a facility that we have not completed constructing yet. It is unfortunate, but, as a minister, you play with the hand you are dealt when you take over the portfolio. I was dealt a hand that included a half-built maximum and medium-security prison.

**Mr FINCH** - So how have you reacted to that? Frustration, shock?

**Mr McKIM** - It is not really about me; it is about the people that work at RPC and the people that are incarcerated there. Whether I am shocked or horrified is, in a way, not really relevant. What my job is as minister is to try and get on top of and fix some of these problems. I believe that in the current budget context, to achieve funding for the change manager's position recommended by Mr Palmer, as well as bringing forward some of those infrastructure allocations, in the current financial climate that is something that I had to work pretty hard - I am happy to say it - to achieve that. But achieve it we did. I believe, with the tools that I mentioned earlier and both of those funding streams now in the budget that was recently released, that we are in a position to move forward and make some significant improvements to the built infrastructure and also some significant improvements in terms of the way that RPC operates more globally.

**Mr FINCH** - In our inquiries over the years, we have had assurances from ministers and from the people that are gathered here on behalf of this portfolio. We seem to get assurances, and there is an element of trust that things are in place, that things are being looked after. I get a sense that things are not as they should be, as you are highlighting.

**Mr McKIM** - Yes.

**Mr FINCH** - I think that it is crunch time.

**Mr McKIM** - I do not disagree.

**Mr FINCH** - We need to see these recommendations acted upon and sorted out once and for all.

**Mr McKIM** - Yes, I do not disagree in broad terms with your views, Mr Finch. As I said, we have had our challenges and difficulties over the last 12 months in the corrections portfolio, but I do believe we have got the tools now to put in place what we need to do to make improvements in some of the areas identified by Mr Palmer. All other things being equal, I will be sitting across this table from you next year, and that is when I believe you will be able to judge me in terms of my time as corrections minister. To date, we have had a number of challenges and difficulties, not all of which have been caused by anything that I have done or not done. As I said, I believe we have the tools that we need now to move forward. As Mr Palmer found, all stakeholders are committed to positive change in the TPS, from management right down to correctional officers and non-uniform staff, inmates, everyone in the Department of Justice, and me as manager. We are all very committed to making the improvements we need to make. I believe we will make significant ground in rolling out those improvements over the next 12 months.

[10.00 a.m.]

**Mr FINCH** - Just if I could, Chair, please, a quick question on workplace standards.

**CHAIR** - On crunch time?

**Mr FINCH** - Yes. There is work to be done there to make sure correctional officers and people who staff and work in the prisons have the best opportunity to have an appreciation of their workplace and the standards they are to work to. Where are we with a review by workplace standards with what the staff and the officers have to put up with?

**Mr McKIM** - That review has been completed. This is the Workplace Standards Tasmania review of staff safety is I believe what you are speaking about here. As I said, that has been complete and has now been released to all TPS staff and unions, which is why I had a wry smile when the Liberal Party in the Lower House tried to claim it as a leaked report after we had sent it out to all our staff and the unions. Thus is the way politics works from time to time.

I will give you some details on that in a minute, but can I say upfront that it is not my intention to make that report fully public, because it does disclose procedures related to the operations of RPC which, on my advice, may compromise the safety of staff, prisoners and the community if we were to release the report publicly.

Again, I would argue that, having identified that there were potential occupational health and safety issues at Risdon, I have done - and the department actually in this case - the right thing, and that is to engage Workplace Standards Tasmania to provide us with a report, because they are the OH&S professionals in terms of the Government. So we engaged them to prepare the report.

What I can say as an overview is that the report identified that there was only partial compliance with relevant management regulations. Also, the report highlighted that reasonable practical risk controls have been identified but are not consistently and fully implemented. Again, there are concerns off the back of this report. Of the 31 recommendations, it is anticipated that most if not all of those recommendations will be implemented within a reasonable time frame. We - when I say 'we', I mean prison management - has met with the relevant unions to commence planning for the implementation of the report's recommendations.

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If I could also indicate that, off the back of that report, Workplace Standards Tasmania will provide a placement in the TPS of one of its most senior inspectors who will help the TPS implement the recommendations of that report as well as those parts of the Palmer report that related to OH&S. So we are taking this issue very seriously. Again, I am very happy to be judged on our progress when we sit here next year.

**Mr FINCH** - Thanks, minister.

**Dr GOODWIN** - Can I just pick up on that point? I have actually read that report, and I have also read the Palmer report. I think you are understating the seriousness of the issues that you have to deal with. I think you have got an awful lot of work to do to make sure that you have a safe system at work, to make sure that the risk management procedures are in place and are adequate. I do not think you are very good at managing emergencies at all. Mr Palmer identified that you have inadequate fire prevention strategies, for example, in the prison. So I think you have got a lot of work to be doing there, and I do not think it should be understated at all.

**Mr McKIM** - Well, I do not believe I have.

**Dr GOODWIN** - It is important.

**Mr McKIM** - I do not believe I have understated it. Could you explain to me when you think I have?

**Dr GOODWIN** - I think you have -

**CHAIR** - We need a question.

**Dr GOODWIN** - All right.

**Mr McKIM** - I will take that as a question.

**Dr GOODWIN** - Would you agree that there have been significant failings in the duty of the Tasmanian Prison Service to provide a safe system of work? Although there are adequate controls in place, they were not being fully and consistently applied.

**Mr McKIM** - What I would say is that, certainly, there have been some issues identified around occupational health and safety, and they have been identified because of decisions that the Department of Justice has made and I have made as minister to seek professional advice from qualified people in these areas.

We have also invested significant funds into improving OH&S for correctional officers and other staff at the TPS over a recent period of time. I can give you details about those if you would like, but we have invested in a number of areas that are doing occupational health and safety at TPS. You are entitled to use the language that you want to use, Dr Goodwin. I will use, obviously, the language that I want to use.

**Dr GOODWIN** - I am using the language that was in the report.

**Mr McKIM** - Well, I am using what I believe is an accurate assessment of -

**Dr GOODWIN** - So you do not agree with the report?

**Mr McKIM** - No, I have not said that at all. What I have said is that I acknowledge that there are significant challenges facing us in a range of areas in TPS, including OH&S. That is why we put this report in place. That is why we commissioned that report from Workplace Standards Tasmania. That is, in part, why I commissioned Mick Palmer to come in and have a look at a range of things in the TPS.

The thing about the way these things often go in politics, of course, is, as a minister, you take the necessary action to have these matters investigated and then you get whacked around the head with the results. I am very comfortable with that, because that is the way politics works.

**Dr GOODWIN** - It is all about keeping you accountable, minister.

**Mr McKIM** - My responsibility is actually to the people who work in the corrections system and the people who are incarcerated in the correctional system. I take those responsibilities very seriously in terms of OH&S and a range of other areas. The reason I take those responsibilities very seriously is, as I said at the start, if we can improve the way we do things in those areas, we will deliver better outcomes to the Tasmanian people.

**Dr GOODWIN** - I want to go back to a question I asked earlier about the prisoner-on-prisoner assaults and also assaults against correctional officers in the last financial year.

**Mr McKIM** - I will give you some figures in a minute, but I want to start by saying that assaults on anyone in our corrections system are unacceptable, in my view. Certainly, I want to place on record my appreciation for correctional officers who do work in a workplace that is at a higher level of risk than most other workplaces in Tasmania. Every day - like our police, like our fire and a range of other people - correctional officers potentially will be required to put their lives on the line to deliver outcomes for the Tasmanian community.

Having visited correctional officers in hospital after assaults, which I did last year, I know how correctional officers feel about these issues. I have spoken to many of them about assaults on correctional officers. It is obviously something that we are doing everything we can to ensure that we have as few assaults on correctional officers as possible. As I said, any assault on a correctional officer is unacceptable from my point of view.

**Dr GOODWIN** - Of course, you have a duty of care to correctional officers as well as to prisoners.

**Mr McKIM** - Of course. Now, in the current year, there have been two incidents resulting in physical injuries to staff. One was on 22 September 2010. I am talking about the 2010-11 financial year here. On 22 September, six officers were injured in a disturbance at RPC, and those are actually the officers I visited in hospital, although most of them, from memory, were discharged relatively soon after arrival. They were not housed overnight. I do not think any of them were housed overnight.

**Mr Partridge**: There might have been one housed overnight, maybe.

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**Mr McKIM** - That is right, thank you. Mr Partridge has just advised me that there was one kept in overnight and the rest were discharged relatively quickly. There were also two officers injured while carrying out a prisoner transport to the Burnie Magistrates Court on the previous day. So we had those two assaults in separate parts of the prison system happen in very close succession.

What I can tell you is that we refer any assault where a physical injury is sustained to the Tasmania Police as a matter of course. Eight inmates involved in the two incidents last September have been charged. Five have already been convicted and sentenced and three have their charges still pending and yet to be decided. As well Tasmania Police, we undertake internal investigations after incidents such as this to reduce the risk of such incidents happening again. In addition to advice I have previously given you moments ago, I can tell you that, over the past two years, TPS has spent millions of dollars on security and safety upgrades at the Risdon site as a result of such investigations and in response to issues raised by staff and unions. These include the new perimeter fence that we have built, new security cameras that we have installed, additional internal fencing that we have installed and a significant range of other infrastructure improvements in both medium and maximum security divisions. Apart from those infrastructure improvements, we have also implemented a number of procedural and policy improvements to try to minimise the chance of those kinds of assaults happening in the future.

But I also want to make it clear that, as I said at the start of this answer, working in a prison is a high-risk environment, and I am not able to sit here and guarantee that we will not see things like that in the future. No corrections minister can. I just want to make sure we are doing everything we can to minimise the chances of it happening again.

**Dr GOODWIN** - I did ask about the prisoner-on-prisoner assaults. This is my third go at this. I would really appreciate an answer.

**Mr McKIM** - Dr Goodwin, we will get there. We are going to go off the ROGS figures released January 2011, so these are 2009-10 financial year.

**Dr GOODWIN** - So, the question I asked specifically related to the Palmer report and the question was: have there been any prisoner-on-prisoner assaults since 21 February 2011?

**Mr McKIM** - We do not have that data.

**Dr GOODWIN** - Can you take it on notice?

**Mr McKIM** - Yes, I can absolutely put that on notice. But just in terms of a baseline for you, Dr Goodwin, the 2009-10 figures from the report on government services were in Tasmania in terms of assaults, prisoner on prisoner, 53 at a rate of 10.84 per cent, which is marginally above the national rate of 9.14 per cent.

**Dr GOODWIN** - So if I could request the figures specifically from 21 February 2011 as referenced in the Palmer report, but also in relation to the whole year as well?

**Mr McKIM** - In the House of Assembly we have them put on notice in writing, but I am happy to just take that on notice.

**CHAIR** - They will be in writing by the end of the day.

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**Mr McKIM** - My advice is that we should be able to get those relatively quickly. If they come to hand before the end of this particular session of the Committee, I will provide them then. Otherwise, we will provide them to the Committee as soon as possible.

**CHAIR** - Thank you. We appreciate that. Wherever there is information that has been requested, that is very useful. Because it helps our turnaround time for compiling our report.

**Mr McKIM** - Of course.

**Dr GOODWIN** - Can I just ask a question about the prisons inspectorate, minister?

**Mr McKIM** - Yes.

**Dr GOODWIN** - This is Greens' policy -

**Mr McKIM** - And Liberal Party policy.

**Dr GOODWIN** - And Liberal Party policy as well, so, of course -

**Mr McKIM** - After a while you got on board.

**Dr GOODWIN** - No, in fact -

**Mr McKIM** - No, you did.

**Dr GOODWIN** - Minister, we took this policy to the election way back in 2006.

**Mr McKIM** - Yes -

**Dr GOODWIN** - So, we have not just jumped on board, minister.

**Mr McKIM** - Well, you did jump on board a little bit after the Greens, but, nevertheless, we were very pleased to have you.

**Dr GOODWIN** - You do not have a monopoly on good ideas.

**Mr McKIM** - No, nobody does, Dr Goodwin, and I am very pleased to welcome you on board.

**Dr GOODWIN** - You have been in his role for over 12 months now, so when do you expect to actually deliver on that policy?

[10.15 a.m.]

**Mr McKIM** - I am pleased to say that we have moved forward significantly on this since I became minister, although we have yet to go through a process to secure funding. What we have done is engaged in reasonably lengthy discussions with the Ombudsman in relation to this matter. My view is that when we're looking at how best to implement something like an independent inspectorate we need to find a model that is appropriate in scale for Tasmania. Now you'd be aware, Dr Goodwin, that really the only stand-alone independent prisons inspectorate is in



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Western Australia, and that came about as a result of some tragic occurrences in that State's corrections system a number of years ago.

**Dr GOODWIN** - We've been lucky that we haven't had tragic consequences here, I have to say.

**Mr McKIM** - For some time, but whether that's luck or good management I will leave it to others to decide.

**Dr GOODWIN** - Well, I would think from the Palmer Report it's luck.

**Mr McKIM** - Well, you're entitled to make that political point if you like. What I'm going to do is to tell you how we are moving forward around an independent inspectorate. We had some discussions with the Western Australian inspectorate around potentially contracting services from them to assist us. We have also had discussions with the Ombudsman here in Tasmania around potentially creating an inspectorate as a function of the Ombudsman's office with some extra resourcing, of course, for that office to allow him to carry out that function. My preliminary view is that it would be more appropriate to establish it through the Ombudsman's office rather than contract services from somewhere like WA. The Ombudsman has conducted the Tamar report and is also associated with things like our official visits to the prison and on that basis my preliminary view is that we will, and in fact we are, moving forward in discussions with the Ombudsman around developing costings and looking at some of the other things we might need to do to move this forward, including likely legislative amendments that would be needed.

**Dr GOODWIN** - So how far is it away?

**Mr McKIM** - Look, I can't put a firm time on that because, again, an independent inspectorate would need to be funded and I can't sit here and speak on behalf of Cabinet or the Treasurer around funding for an independent inspectorate.

**Dr GOODWIN** - Don't you consider it a priority, given everything that's happened? The Palmer Report, the festering problems -

**Mr McKIM** - My word I do. There are a number of priorities in the corrections system and we have identified those where the delivery of funding in the immediate future can make the most difference. The simple fact is that, because of all the work we would need to do, including working up legislation likely to deliver an independent inspectorate, the allocation of money for that in this year's Budget wasn't considered as high a priority as some of the other things that we've done. I make the point again: the work is continuing, it is well advanced, it will keep happening over the coming period of time -

**Dr GOODWIN** - So we won't see it until next financial year - is that what you're saying?

**Mr McKIM** - Well, as I say, I'm not able to make commitments on behalf of Cabinet; that's not how government works.

**Dr GOODWIN** - What is your long-term plan for the Ron Barwick minimum security facility, given that it was meant to be demolished and replaced when the new prison was being built, and now of course you are refurbishing it so the Hayes prisoners can live there?

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**Mr McKIM** - I am reminded by Mr Williams that there are long-term plans for a lot of things around prisons in Tasmania, including a new prison in Launceston which I have missed the questions on now that Mr Wing is no longer sitting across the table.

**CHAIR** - He still has people here representing his interests, I can assure you.

**Mr McKIM** - I'm sure he does, and those of the people in Launceston. What I can say to you, Dr Goodwin, is that there is a range of things that, in an ideal world, I'd love to be able to do as Corrections minister. If we were able to shake loose the hundreds of millions of dollars of funding that we needed to have put in place maybe I would be giving you a different answer today, but unless and until that happens I have no plans to demolish the Ron Barwick facility. It's too valuable to us at the current time.

**Mr DEAN** - Just one last question on overtime, is it possible to get a breakdown on where the overtime has gone in the Prisons Service?

**Mr McKIM** - Do you mean which prison or what reasons -

**Mr DEAN** - What prisons and the breakdown between administration and - I'm not sure whether they're custodial officers or correctional officers these days - what are they?

**Mr McKIM** - They're correctional officers.

**Mr DEAN** - Right, so if I could have a breakdown between administration and correctional officers for Hayes and -

**Mr McKIM** - I'm happy to see if we can provide that information but my preliminary advice is that it's almost all correctional officers, not admin staff.

**Mr DEAN** - Okay. My next question is what has been learned from the standing down of the warders that occurred this year, and if a similar situation arises again are we likely to see a similar thing occur?

**Mr McKIM** - I don't believe we are likely to see that happen again in the near future and that is because relationships have significantly improved, in my view, between me as the minister, prison management and particularly the unions relating to who represents correctional officers, and there are two unions we are dealing with there, the CPSU and United Voice, which is the old LHMU. Mr Dean, what happened, as you would know, is that we received by e-mail a threat to lock the prison down indefinitely unless the unions got their way - and just to be clear about that, that is locking inmates in their cells 24 hours a day, seven days a week, indefinitely. That was the threat I was faced with that was made by the unions and after discussions with the Premier and the Department of Justice officials, including Mr Williams, the director of Corrective Services, I decided, along with prison management, that we were not prepared to put up with inmates being used as pawns and having their human rights threatened to be abused in such a way.

So we took the action we did and, as I said at the time, I do not resile from anything we did, but as a result of that action and subsequent discussions between Mr Williams and the unions, prison management and me personally, we agreed together to improve the way industrial disputes are dealt with at the prison in the future, and a key feature of the agreement that was

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made is the introduction of a 48-hour period for management and unions to work in good faith to address concerns prior to industrial action being taken when an issue is identified. I guess that is a 48-hour cool-off period, if you like, that we have now built into our relationship with the unions to make sure that tensions don't flare as quickly as they did on that occasion and that we have the opportunity to work through any issues. I want to place in the record that, contrary to common opinion, no officer had their pay docked as a result of that industrial dispute.

**Dr GOODWIN** - This is related to the incident, Minister, because there was a leak of some case notes to the *Mercury* -

**Mr McKIM** - There was - a shocking state of affairs.

**Dr GOODWIN** - about the Tamar Unit and, as I understand it, the matter was referred to Tasmania Police to conduct an investigation, which they did, and no charges were laid as a result of that.

**Mr McKIM** - Yes, they decided not to lay any charges.

**Dr GOODWIN** - Was there a reason for that?

**Mr McKIM** - Well, firstly I will say that there is an ongoing internal investigation within TPS in relation to potential code of conduct breaches around that matter. I am happy to throw to Mr Williams if he has any further information for the committee but basically the police made a decision that they weren't going to proceed with that matter. If Mr Williams wishes to add any more he is more than welcome to now.

**Mr WILLIAMS** - We referred it to the police, as we always do with anything like this. We treat the inside of the prison as though it's part of the normal world and any criminal acts are treated the same and we have a good relationship with the police. On this occasion we referred the files to them, we had a lot of liaison with them, and they ended up coming back to us saying that they weren't going to pursue it because they didn't think it was something they would get the best use of their resources from, considering the evidence that they'd seen. Having said that, we have an internal investigation process underway because we took it very seriously. That's a breach of privacy and they might be prisoners but privacy still applies. So we're taking it as a serious matter and that investigation continues. I wouldn't like to comment any further because it may prejudice where it goes.

**Dr GOODWIN** - Sure. So basically there was insufficient evidence from the police perspective to proceed?

**Mr McKIM** - I don't think that's what Mr Williams said; he can answer for himself but I didn't hear him say there was insufficient evidence.

**Mr WILLIAMS** - They really have to answer for themselves but I guess they have to make judgements like anyone about where they put their resources and they'll go to where they think they'll get results.

**Mr DEAN** - In relation to Launceston, what is the position with the remand centre there and is there any discussion around a -

**Mr McKIM** - All very close.

**Mr DEAN** - I almost said something else! Have there been any discussions in relation to any other facility in the north of the State? Quite a large percentage of prisoners are from the north of the State and there are a lot of issues there.

**Mr McKIM** - As I've said, certainly if you look at the overall plan for the prisons system in Tasmania in the future it does provide for a facility at Launceston and there has been a Legislative Council inquiry into these issues and obviously Mr Wing and now you on behalf of your constituency have continued to raise this, and quite appropriately too. But the simple fact is that there is no money at the moment in the Budget to build a prison facility at Launceston so it is our intention, in the short-term future at least, to continue with the LRP or Launceston Reception Prison.

**Mr DEAN** - Minister, can you give a guarantee that visitors from the north of the State who are now compelled to come to the south to visit their sons, daughters, fathers, mothers et cetera, will not have their visiting rights curtailed by administrative processes and issues arising within the prison to get those people in to see their loved ones?

**Mr McKIM** - Mr Dean, from time to time things happen in a prison that mean normal operations have to be curtailed. That is just a simple fact of operating a prison. Sometimes for operational reasons we lock the whole prison down which means that inmates can't be visited in some circumstances, so I am not able to give that guarantee.

**Mr DEAN** - I accept that but I am talking about in the normal course of business, where administrative issues arise with people wanting to get in and visitations are being cut short for northern people, who leave early in the morning and get home late at night. It's a real concern.

**Mr WILLIAMS** - I think you wrote to us about a particular instance and we were able to intervene and deal with that situation.

**Mr DEAN** - Yes, but that was only one I put forward as an example.

**Mr WILLIAMS** - We have had a change in our practices in visiting over the last 12 months where we have put in place flexible arrangements. We haven't discussed this with the Law Society about access to clients, specially in the maximum security area because it's quite difficult to move people around that sort of environment; you have to have two staff moving them around. We have also given people at the Law Society a contact number for emergency visits and we've been able to make that happen. We are conscious of the difficulty of people from the north coming down and once a month we pay for a non-government organisation to take the bus to Hobart to increase the visiting capacity. But it is still an issue for people from Launceston.

**Mr FINCH** - I want to raise the question of the Hayes Prison Farm and relocation -

**CHAIR** - Well, hurry, because it won't be there for long!

*Laughter.*

**Mr FINCH** - No, that's right - to the Ron Barwick Minimum Security Prison. I won't go over that decision; obviously it is a calculated decision that has been given review and research. It doesn't seem right to me to be taking it from that location and putting it into this big one-stop-shop for all sorts of prisoners. I want to get some understanding, Minister, of what sort of outdoor work or what normally goes on now at Hayes, will go on at the Ron Barwick prison?

**Mr McKIM** - It depends what prison industry we decide to move forward with, Mr Finch, and we haven't finally made that decision. We are doing some work to understand what the opportunities might be for us around prison industry. As I indicated, it may well be that it is vegetable processing. In terms of the way the majority of inmates at Hayes spend their time on vegetable processing, they sit in a windy, freezing cold shed and peel potatoes by hand.

**CHAIR**- It's character-building, Minister.

**Mr McKIM** - You can call it character-building, but there is not a great demand in the workforce for spud peelers out there and what we need to do is make sure that our industry lines up and skills up our prisoners in areas where they can legitimately expect to find gainful employment once they come out of prison. That is what I am about - not simply running a make-work scheme and not simply running an operation because it happens to be profitable. There are other things that we need to consider as we decide how to move forward with the future of prison industries in Tasmania. One of the absolute prime considerations needs to be providing our prison inmates with skills that they can legitimately leverage when they are released from prison to attempt to get themselves into gainful employment, which all of the research shows will reduce their chances of one day being back in prison. That is what we are trying to achieve.

**Mr FINCH** - So where will your investigations take you and what sort of an operation is working now - maybe in Australia or internationally - that you may consider appropriate?

**Mr McKIM** - I can talk about this hypothetically, but I do emphasise that we have not made any decisions. We are going through a process with the University of Tasmania, who will do a study for us in relation to potential opportunities and that will include the university looking at other prison industries around Australia and potentially further afield to give us advice on those. It could be anything from e-waste recycling through to horticultural enterprises through to other waste management sectors. It might be around vegetable processing. There is a range of industries that may be suitable for a prison industry or prisoner industries in Tasmania. Maybe we will have more than one. This is why we are doing the work - to understand the opportunities available to us and what the costs and benefits of each of those might be.

**Mr FINCH** - When do you intend to move Hayes Prison Farm? How long will this research take?

**Mr McKIM** - I am not going to put a finite time frame on it because there is a range of variables around selling Hayes which might impact on the date it is actually closed and sold. I would expect that that process could take anything up to two years. There is a range of things we need to do there. We may need to look going to the council and asking permission to subdivide some blocks off it. We just don't know yet, because the decision was only made a week or two ago and we are now moving forward to start considering how to dispose of that asset.

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I would anticipate that the preliminary work we are doing on prison industries with UTAS should not take too long - just a matter of some months at most - and then we can move forward and start making some decisions. But as you have correctly implied in your question, we do need to make some decisions around prison industries within a time frame that will allow us to invest in the infrastructure we will need.

**Mr FINCH** - What would you hope the return might be from the sale of Hayes?

**Mr McKIM** - A preliminary assessment of about \$2.2 million to \$2.5 million, but that is a very preliminary assessment, and obviously it will depend on the market.

**Mr FINCH** - Will that all go to the assistance of the development of Hayes at Ron Barwick?

**Mr McKIM** - It will go to refurbishing the existing units at Ron Barwick to get them ready to receive the inmates from Hayes once it does close. It will go to the construction of the transition centre that I mentioned earlier and it will also go to the development of prison industries.

**Dr GOODWIN** - Won't you need to do the refurbishment first before you close Hayes?

**Mrs TAYLOR** - You will need to move the prisoners before you close.

**Dr GOODWIN** - You won't get the money from Hayes -

**Mr McKIM** - There are a bunch of ways that we can do those things, Dr Goodwin. We won't be putting the prisoners up in tents for a year - it's not like the 20 cents we put in the piggy bank when we were kids. There are ways that we can manage the vote to ensure that -

**CHAIR** - There are money boxes now that actually tell you how much you have in your money box.

**Mr McKIM** - Is that right? The wonders of modern technology!

**Mr FINCH** - Just before we leave the subject of the Hayes Prison Farm, when the prisoners who are in Hayes go to the Ron Barwick centre what sort of an environment will they be involved in there? Will it be similar to Hayes, or an improvement on Hayes? Or will they feel as if they are in Risdon Prison and the hard-line area?

**Mr McKIM** - No. In general terms it is not similar to Hayes. Hayes is a farm environment and an open security prison. Ron Barwick is not open security; it is a minimum security facility. However, the transition centre will be outside the boundaries of the Ron Barwick facility, and I do anticipate that the transition centre itself will be an open secure facility. It is very unlikely that anyone who would pass the requisite requirements for inclusion in a program conducted within the transition centre would attempt to escape - simply because they are coming towards the end of their sentences and to be found guilty of escaping would result in an extra term of imprisonment.

To be clear, the Ron Barwick Minimum Security Facility is not in RPC. The Risdon Prison Complex is where we house medium and maximum security inmates; Ron Barwick is not in that compound and is our minimum security facility.

**CHAIR** - I think the member needs a visit!

**Mr McKIM** - I know Dr Goodwin has been out there recently to see many of the happenings at the prison.

**Mr GAFFNEY** - I possibly know the answer before I ask this question, but I would like you to place your response on the record. The words 'remand centre' were flagged in my electorate of Mersey at the police station which received \$6.2 million from the Minister O'Byrne's Police and Emergency Management fund. I want to know the relationship between your portfolio, the Minister of Justice and Minister O'Byrne now that the redesign has been accepted by the Public Works Committee and that there is an area set aside for remand. I understand the financial implications of the cutbacks were that we might actually need a bigger room. How does Cabinet make a decision when, where and how that remand centre should be funded?

**Mr McKIM** - There has been no decision made by Cabinet to fund that remand centre at the moment. Again, this goes back to comments I was making previously about our having a grand plan for Corrections in an ideal funding world in Tasmania. If we had every dollar we wanted then obviously we would look at a remand centre in Devonport. However, we do not have all the money we would need - in fact we don't have any of the money we would need currently in the budget to build the remand centre in Devonport. In the Prison Infrastructure Redevelopment Project - PIRP - a correctional facility in Devonport was not considered a priority in that planning process and other priorities identified in that planning included an upgraded prison facility in Launceston.

The Minister for Police and Emergency Management submitted a revised proposal to the Public Works Committee, taking account of the committee's concerns surrounding the provision of a local remand centre, and that proposal will enable the station design to be repositioned to enable sufficient space for construction of a remand centre in the future, should funding become available.

**Mr GAFFNEY** - It is an interesting conundrum when you have a Public Works Committee that says, 'No, we cannot accept that design because there is not a remand centre' and from your portfolio there is nothing on the horizon to indicate that a remand centre will be built. So they stopped the process and then allowed it to go through when there was a little section there for a remand centre, fully understanding that there is no long-term plan for such a centre.

**Mr McKIM** - That is an accurate factual summary of what has occurred to the best of my knowledge. I can only repeat that we have no plans to construct such a facility.

**Mr GAFFNEY** - Unless there is an increased crime rate on the north-west coast, which we all hope will not occur.

**Mr McKIM** - Well, ultimately none of us wants to see an increase in crime rates. This relates to money more than anything else, because we simply do not have it. Ms Hutton has just reminded me that there would also be a recurrent cost.

**Dr GOODWIN** - So at the moment the police department is carrying the load - isn't that the situation at the moment?

**CHAIR** - Minister, can I take you to the Budget Papers in relation to retained revenue. I notice that it is \$3 609 000. Does that retained revenue come from Hayes Farm?

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**Mr McKIM** - I have no idea. I will just seek some advice.

**CHAIR** - It is 7.18 - Corrective Services.

**Mr WILLIAMS** - Hayes Prison Farm is primarily a dairy farm and while the dairy there does produce some income, it would not be profitable if we paid for it all out of the farm's income. We fund the farm manager and other positions partly from Consolidated Revenue. The vegetable processing facility at Hayes does make a profit -

**CHAIR** - Of \$3 609 000?

**Mr WILLIAMS** - No, largely that comes from the laundry at Risdon Prison Complex.

**CHAIR** - So can I have a break-up then of what the laundry provides to the retained revenue projections in the 2011-12 Budget?

**Mr McKIM** - Perhaps I could offer a little clarification here. My advice is that those figures in the retained revenue line item consist of money that comes in to TPS from external sources and that would include vegetable processing, the laundry, the tailor's shop and the other industries that we run.

**CHAIR** - Furniture making?

**Mr WILLIAMS** - A very, very small part.

**CHAIR** - There are some very nice pieces around this place that have come from the prison.

**Mr WILLIAMS** - It is usually cost recovery for that sort of thing.

**Dr GOODWIN** - Perhaps you should be charging more!

**Mr McKIM** - Would you like to buy something, Dr Goodwin?

**CHAIR** - If it is significant, and there may not be those opportunities in the future, how can we continue to have this projected increase, and there is a projected increase across the forward Estimates of having increased revenue through that retained revenue line? I suggest that is significant money.

**Mr McKIM** - But it is not all profit. This is income not profit.

**Mr McKIM** - Certainly Hayes is a significant component of that forward Estimates.

**CHAIR** - Minister, I am going to invite the committee to suspend for a break.

**The committee suspended from 10.45 a.m. to 11.00 a.m.**

[11.00 am]



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**CHAIR** - Minister, we have the required number of members at the table. It was remiss of me as we commenced this morning not to welcome the newest member of our committee, the honourable member for Derwent, Craig Farrell. Craig, it is a pleasure to have you on board with this committee. I also welcome to the table - we are doing tags with the committee secretary - Stuart Wright. Welcome, as well, Stuart. We will continue with 6.1, prison services, and make sure that we have completed that before we move to 6.2, which is community corrective services.

**Dr GOODWIN** - Minister, have you had any discussions with the new Attorney-General about alternative sentencing options such as home detention and electronic monitoring, which is mentioned in the *Breaking the Cycle* corrections plan?

**Mr McKIM** - It does. I have not had personal discussions with the new Attorney on those. I had had a discussion with the previous Attorney, Mr Bartlett, about those - it has been a bit of a revolving door - and obviously the Department of Justice also supports the portfolio of Attorney-General. Ultimately sentencing is, in portfolio responsibility terms, not in my area of responsibility; that sits within the portfolio of the Attorney-General. But as we move forward, and given that the Department of Justice supports both portfolios, of course we will work closely together to deliver what we can in terms of alternative sentencing options.

**Dr GOODWIN** - There has been an issue with the Law Society in relation to getting access to prisoners. There was meant to be an MOU developed, and I do not think that has got to the point that it needs to get to yet. Can you talk about any further progress that has been made on that issue?

**Mr McKIM** - Yes, I can. We are exploring options to improve access for legal representatives and other external service providers at RPC. We provided a draft memorandum of understanding to the Law Society in January 2011. A representative of the Law Society decided to respond to that MOU in the media rather than in the form of a formal response to us. We are committed to making improvements where we can, and the draft MOU incorporates a defined process for assisting lawyers with access at other times to established lawyer visit times or in the event that urgent access to clients is required. But I can inform the committee that we have reviewed the level of legal visits that have been conducted during the period from 1 January to 18 April this year, and the review has identified a significant under-utilisation of the professional visit times that are available. Mr Williams, the Director of Corrective Services, has provided that information to the Law Society for their consideration, that is, is a significant under-utilisation of existing professional visit times.

We have also made further amendments to the draft MOU. Those have been forwarded to the Law Society for their consideration. I look forward to hearing back from the Law Society in due course, and I anticipate that meetings will be scheduled once that has occurred so that we can attempt to resolve their concerns.

**Dr GOODWIN** - One of the issues they had was that the visiting times that are available clash with the times they are in court, which may in fact explain why they are not utilising the visits available to their full capacity.

**Mr McKIM** - As I said, we have increased the number of established lawyer visit times. They are now available three days a week. So we have done that already.

**Dr GOODWIN** - Have the core hours changed at all, though?

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**Mr McKIM** - A couple of things. Firstly, they have been extended to include both pre-court and post-court hours, and the level of take-up is still not significant. Also, they have a number to call to organise real-time access, and that has never been called.

**Dr GOODWIN** - All right. I will wait with interest to see how this all pans out.

**Mr McKIM** - The ball is very firmly in the court of the Law Society on this matter.

**Mr DEAN** - I want once again to have a quick look at the Palmer Report. Regarding this change officer, or unit or whatever it is going to be, perhaps you can tell me how that is likely to be set up, whether it be one, two or three people or what it will be. He also refers to what is - and I think this has come out this morning with the overtime and other things - a lack of effective leadership within the prison. How will that be addressed? Will that be addressed by an improved selection process for these positions? Will it be addressed by greater training of these people, monitoring? Just how is it going to occur?

**Mr McKIM** - I will address those two issues in order, Mr Dean, if I might. Firstly, you have spoken about the change manager. In fact, the two issues you have raised overlap to a degree. Firstly, the change manager will be a person, so we will not bring in a unit; we will bring in a person.

**Mr DEAN** - On \$335 000?

**Mr McKIM** - I will just work through the process with you. This is a very specialised position that we are looking to fill here, and that is why we are conducting an international search - to find the best possible person to fill this role. That person will have direct line responsibility to report to the Director of Corrective Services, Mr Williams, who is, as I have said, the deputy secretary in the Department of Justice who oversees and has direct responsibility for the corrections system in Tasmania. Of course, ultimately I as minister have responsibility and Mr Williams reports directly to me. Actually, he has pointed out that he reports to the secretary of the department, who reports to me. I apologise to Ms Hutton for leaving for leaving her out of the line of command there, and I thank Mr Williams for correcting me.

**Mr DEAN** - And Ms Hutton reports to somebody other than you?

**Mr McKIM** - No, Ms Hutton is directly responsible to me in relation to corrections. She is also directly responsible to other ministers in relation to other things that the Department of Justice does.

**CHAIR** - And very capable.

**Mr McKIM** - She is exceptionally capable, as is Mr Williams.

**Dr GOODWIN** - And Mr Stevens.

**Mr McKIM** - As is Mr Stevens, I completely agree.

**Dr GOODWIN** - We do not have enough time to go around the room - apologies.

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*Laughter.*

**Mr DEAN** - Is there anybody else in the line anywhere, Minister, that we should know about?

**Mr McKIM** - There is a number of people in the Department of Justice, and I hasten to inform the committee that they are all incredibly capable people.

**CHAIR** - Minister, that was entirely my fault for prompting it, so I apologise.

**Mr McKIM** - You have distracted me now, Madam Chair. So that is the chain of responsibility, but also there will be a change management group which we will source from the senior management team at RPC. It is anticipated that the person who comes on to be the change manager for two years as recommended by Mick Palmer will be able to lead and mentor senior management as we move forward to implement those recommendations.

**Mr DEAN** - Just so that I understand this, the change manager or the unit or whatever it is that you have gone through will look at the leadership issue and will come back with a position moving forward to ensure that the leaders are the right leaders within that area and capable and competent in that area?

**Mr McKIM** - Certainly the person who is the change manager will mentor and assist the leadership team as they move forward with their responsibilities around implementing the Palmer recommendations, and in fact the full range of their responsibilities as they relate to prison management, to managing the prison.

**Mr FINCH** - Minister, I want to draw the link between your two portfolios of Education and Corrections.

**Mr McKIM** - Yes, and there is a link.

**Mr FINCH** - I am interested in that because there is a connection particularly between a young male student's performance at school and then what happens when he leaves school. That is, of course, when trouble can start, and the eventual result can sometimes can lead to Risdon. I am wondering what initiatives you have taken or plan to take, even if it is to focus in on young males, to stop them becoming alienated at high school and then ending up unemployed without skills and getting into trouble.

**Mr McKIM** - Are you asking specifically what we are doing in education to pre-empt and potentially lower the risk of people ending up in the corrections system, or are you talking about what we are doing in Corrections?

**Mr FINCH** - Be as expansive as you like. I heard you talk about the education opportunities you are looking to create. I just wanted to highlight Professor Sir Peter Gluckman's report to the New Zealand Government. Are you aware of that?

**Mr McKIM** - No, I am not.

**Mr FINCH** - That is about improving the transition, reducing social and psychological morbidity during adolescence. It is a wonderful work by an academic, 18 months of work, and

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certainly peer reviewed. I believe that should be compulsory reading for educationists and people in Corrections as well, because there is a link between what we end up with and where it starts.

**Mr McKIM** - I have no doubt. I am a great believer in the interconnectiveness of many things, Mr Finch.

**CHAIR** - So you might forward that on to the minister.

**Mr McKIM** - I would be very appreciative if you would do that. I am very happy to have a look at that. I am sure, if you say so, that it is a very instructive report, and I look forward to receiving it from you. In overview, as I said, we have 20 000 contact hours of vocational education and training that will be delivered into the prison this year. That is a significant improvement on what was delivered last year. We currently have inmates involved in vocational courses including construction; occupational health and safety; carpentry, tools and equipment; scaffolding; basic measuring calculations; furniture making; and hospitality, including bakery, kitchen operations, kitchen hand, sandwich hand, catering and barista training. We have inmates involved in vocational courses around engineering, food processing, business, agriculture and horticulture. We also have short-term vocational programs that help people build their skills and capacity, such as forklift competency certificates, elevated work platform tickets, construction white cards, tractor operations, loader operations, irrigation systems, weed and pest control, and basic vehicle management. There is a range of other things that we do that I am happy to talk about.

What we have done is work very closely with the Department of Education and also with skills to make sure that we have identified areas in which we think there is a legitimate chance for inmates to maximise their opportunities to be gainfully employed once they come out of the prison, because all of the research shows that there are a few things that we can do to significantly decrease the chances of seeing any given person back in the prison system in the near future. One obviously is somewhere to live, another is networks back in the community and families, and the third is employment. If we can offer people the opportunity to skill themselves up in our prison system, we have a better chance of obtaining the outcome that we want to see, and that is when we wave them goodbye and never see them again in the corrections system. That is what we are trying to do.

**Mr FINCH** - Do we have evidence on that or is that what you hope might happen? Has there been work done on this in the past?

**Mr McKIM** - Certainly there is evidence around those last things that I mentioned. If you can take care of some of the basic needs around accommodation, links with family and employment, that will significantly reduce the recidivism rate. What we have done, as I said, is work closely with educational providers who have experience in these areas to identify some of the sectors of the Tasmanian economy that are looking for skilled or semiskilled workers, and then deliver vocational and education training in those areas. There are areas where there is a legitimate demand for employees, and hopefully when people come out of our prison system they will be able to be employed. I cannot give guarantees, obviously, because it is a matter for employers who they employ.

We also have a LINC, a Learning and Information Network Centre, and this again is a crossover into the Department of Education. We have a LINC at Risdon, and that enables inmates to make direct contact with approved teachers back at their respective colleges. That LINC

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covers Ron Barwick and RPC, which is our medium and maximum, and the Mary Hutchinson women's prison. So inmates in all of those facilities - certainly the overwhelming majority of the facilities at our Risdon site - can do courses via our LINC there. The Prisoner Education and Training Unit has increased the number of computers at Hayes, although obviously that will change in the future once we move to implement the Government's decision on Hayes.

I can also say that the Ron Barwick Minimum Security Prison library has become part of the Risdon LINC and is therefore now a branch of the State Library of Tasmania. We are doing books on CD, which is a fantastic program that is being run, peer literacy, which I mentioned at the start of my contribution in the overview. We are working very closely with DOE, and particularly the Polytechnic in developing literacy programs for our prisoner education and training unit. For example the Rosny LINC has assisted in setting up computer-based learning programs and through the Department of Education we have also engaged a literacy volunteer tutor coordinator who will commence very shortly in the current month and will be located at the prison working directly as part of the prisoner education and training unit. We have another literacy volunteer tutor coordinator in the north of the State. We are doing good things in this area but there is always more work to be done around education in prison and there are certainly some things we are focusing on to try to be on top of, but to date we've made some reasonable improvements in that area.

[11.15 a.m.]

**CHAIR** - We probably don't have time for you to read all that out, Minister.

**Mr McKIM** - I won't, but just in terms of recidivism because I mentioned it on the fly, Tasmania's two-year return prison rates - that's inmates returning to prison within two years - has dropped from 36.4 per cent in 2010 to 31.7 per cent, well below the national average, and in fact on the four measures of recidivism Tasmania does better than the national average. I am not suggesting there is not more work to be done but we are going okay in those measures in corrections in Tasmania.

**CHAIR** - Minister, would you be prepared to talk with the Education department, or are you aware at least -

**Mr McKIM** - I can talk to the Education minister if you like.

*Laughter.*

**CHAIR** - I was going to suggest that but I thought that might be just too silly to say - anyway, you've said it and that's fine. My understanding is that the Education department's policy doesn't allow for people who have been an inmate of Risdon Prison to return to their employment, so that is in complete contrast to what you said about allowing people back into mainstream society.

**Mr McKIM** - I think the easiest thing to do is to deal with that in the Education estimates this afternoon.

**CHAIR** - I am asking if you will address that with the Education department.

**Mr McKIM** - I am happy to take advice from the Department of Education on that, Madam Chair, because I am sure you understand that -

**CHAIR** - I'm not talking about anything to do with children.

**Mr McKIM** - No, but what I'm about to say is that many of our employees in the Department of Education have direct face-to-face contact with often very young children and we have a responsibility to ensure their safety to the greatest extent we can.

**CHAIR** - I certainly appreciate that but this is not people who have been employed by the department who had anything to do with an issue relating to children.

**Mr McKIM** - I will be in a better position to answer that when I am supported by the DoE this afternoon, when I will be very happy to take those questions.

**Dr GOODWIN** - Minister, Mr Palmer was concerned about the protection of prisoners being too easily identifiable to other prisoners. He also felt that they were insufficiently physically protected and we heard last year about protected prisoners being accommodated at the Hobart Reception Prison because of their safety concerns. Can you talk a bit about what you are doing to address those issues?

**Mr McKIM** - Yes. Firstly, we still accommodate some inmates at prisons other than RPC for their own protection and that's just a standard operating practice in any corrections system that consists of multiple prisons.

**Dr GOODWIN** - Of course you'll have one less when you close down Hayes.

**Mr McKIM** - Yes, we will, but Hayes is not generally used for that purpose. It's part of the range but the thing about Hayes is that often inmates will mix in an unsupervised way but certainly in terms of being isolated from inmates at other prisons that is a management option for us but we are confident we have the infrastructure in place to deal with any association issues even once we have moved to close down Hayes. I am not sure if you want any further specific information or a general briefing on how we manage association issues in the prison system.

**Dr GOODWIN** - I think it was raised as an issue in the Palmer report and I was wondering if more had been done since then to address it.

**Mr WILLIAMS** - One of the recommendations we have to deal with from the Palmer Report is that issue. As you might be aware, where we house the sex offenders in the medium-security area has been a concern to us and the staff and as we go through the infrastructure process I think we will look at whether we can do something about creating some sort of solution to that particular issue. As to the issue of identifiability of inmates, I think Mr Palmer talked about physical things like colours and cards and things. Unfortunately in the prison system it runs pretty much on an information basis and the backgrounds of all the people in the prison system are known to everyone else through the bush telegraph that works very strongly there. We manage that by a number of risk-management practices by making risk assessments of each of them and it's one of the things we constantly do; we're constantly moving people around if they come in with association issues. When we work through the Palmer process we will put some more spotlight onto it, because one of the things we manage every single day is the risk that they each pose to each other.

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**Dr GOODWIN** - Presumably if there's a physical barrier between, say, the sex offenders and another part of the prison, to some extent that would address the concerns around their identification.

**Mr WILLIAMS** - That would be one way to do it and certainly that's one of the things we've got in the plan. The other thing of course, as the minister and Palmer have mentioned, is that the prisoners are bored in some parts of that facility, and once we have new industry, a gymnasium and better education facilities we are going to see a drop-off in some of the tensions that are there. As you know, the exercise facilities for the people in maximum security are very limited because they were built with these other things in mind and not as stand-alone.

**Dr GOODWIN** - What are your plans for the Tactical Response Group?

**Mr McKIM** - This goes back quite a way and Mr Palmer has made a recommendation around this, but I want to be clear about a couple of things here. When we had our emergency with the infrastructure failings in the maximum-security cells at RPC, we put the TRG on active deployment at that time basically to ensure we were doing everything we could to maintain the integrity of our system and to maximise the occupational health and safety of the people working in the system. When we moved back to RPC after the remedial work had been conducted we made the decision to revert to what had been the practice prior to moving out of RPC to allow the remedial work to be conducted, which is that the TRG were not on active deployment but on standby, and in fact this was the issue that resulted in the unions sending their e-mail threat to lock the prison down indefinitely unless they got their way.

What happened was that after the industrial troubles we had including the decision to stand down a number of correctional officers, the matter was examined by the Tasmanian Industrial Commission which found in our favour on this issue and that we had gone through - I am paraphrasing here - an exemplary consultation process with the unions to come to the decision to restore the TRG back to the way it had operated prior to the emergency being declared by Mr Partridge, and on the basis of that TIC decision that is how the Tactical Response Group currently operates.

**Dr GOODWIN** - And that's how you're planning to keep it? You don't have any other plans for it?

**Mr McKIM** - Mr Palmer has made a recommendation that we consider some things and we are very happy to do so, but if the things he recommends we consider are to be implemented, there would be significant extra cost to government and we would need to work that through the budget process.

**CHAIR** - Minister, I just want to quickly touch on the transfer of prisoners from interstate. Can you tell me how many we have in our system that have been transferred in and how many we have transferred out?

**Mr McKIM** - I'm not sure that I have those numbers but I'm very happy to take that on notice. Mr Partridge may be able to assist. None have come into our system from other jurisdictions and we believe we've transferred three out, but I'll have those figures checked and if there is any variance to those figures I'll let the committee know.

**CHAIR** - Do you have any applications pending for people to come in?

**Mr McKIM** - Yes, one pending, is my advice.

**CHAIR** - Given the situation where people are asking to come back for family reasons, I would hope there is always room to have Tasmanians back in the system.

**Mr McKIM** - In general terms we do. Right now there is some capacity within our system and you will find that all jurisdictions in Australia try, where possible, to facilitate interstate transfers for compassionate reasons.

**CHAIR** - Right, we will move on because I do not want to short-change Corrective Services.

**Mr McKIM** - In that case I would like to thank Mr Partridge and his team for their attendance today and place on record my appreciation for the great work they do.

**CHAIR** - The committee supports that as well. We know that people work hard to prepare for these hearings but it is a very valuable way of achieving the information we can't always get in the turnaround of questions without notice.

## **6.2 Community Corrective Services -**

**Mr DEAN** - My first question is in relation to the Budget and any cuts. I notice it says in the preamble that you are gaining efficiencies across the departments in administrative activity so I want to know if there will be any cuts or changes at all within this area of Community Corrective Services.

**Mr McKIM** - No. I indicate here that there will be efficiencies but I need to inform the committee that Community Corrections is under significant pressure at the moment. I was able to source an extra \$1.125 million recurrent for Community Corrections in last year's State Budget, but there is a significant increase in demand for the services provided by Community Corrections, a substantial increase in offender numbers that are being dealt with by them. So that this committee is aware of how much pressure we are under in this area, we have Ginna Webster here, who is the director and would be happy, I am sure, to talk to the committee, but between December 2009 to December 2010 there was a 22 per cent increase in offender numbers.

**Mr DEAN** - Can you identify where they are?

[11.30 a.m.]

**Mr McKIM** - Yes, I can. There is a 46 per cent increase in community service orders and a 22 per cent increase in probation orders. So what you are finding is that judges and magistrates are availing themselves of the opportunity to sentence people in this area because, I believe, they have confidence in Ginna and her team in relation to the great work that they are doing.

But, Mr Dean, you have been a senior police officer. You can imagine the impact on a team of such a significant increase in referrals. We are having to manage our people very carefully to make sure that they are not overloaded.

**Mr DEAN** - Just on that, minister, do those numbers in those areas of probation and community services correlate with the prisoners at Risdon? Is there a correlation or connection?



**Mr McKIM** - I will ask the Director of Corrective Services.

**Mr WILLIAMS** - The number of prisoners went down over the last 18 months. It has just started to rise again. Probably the decrease correlated with the introduction of the court-mandated diversion program for drug offenders. So it does not translate directly in Community Corrections terms, but, over the long term, you would expect that it would keep the prison numbers fairly stable. Obviously, the magistrates are referring to new programs like Sober Driving, which, prior to that, their options were very limited. What we are trying to do in Community Corrections with the extra money that the minister has announced is to provide the magistrates with therapeutic programs that actually mean something so that they have got an option rather than short jail sentences.

**Mr McKIM** - So, in a way, these increases that I have mentioned, Mr Dean, are, in fact, demonstrating the success of some of the strategies that we have put in place, but also, of course, with that success comes extra challenges to make sure that we are not overloading the people who are currently working very hard to keep up with the extra demand.

**Mr DEAN** - So with those extra numbers in that area, then, what are the increases in the staff in those areas? Probation officers, community service officers, what are the increases?

**Mr WILLIAMS** - Basically we have only increased the staffing by three actual positions, which were new ones out of last year's budget in terms of program delivery. The rest has been spread over the current work force. As the minister said, they are working very hard. I think the current average offender to staff ratio is about 34 offenders to each person. The national average is somewhere down around 21. We have a 50 per cent higher case load than the average.

**Mr DEAN** - How can we be satisfied, then, that these people who are on probation and these people who are on community service orders are being properly supervised and are doing what they are required to do as a part of probation and as a part of community service orders with that sort of pressure on these officers? Are we told that everything is being done right, everything is being complied with, visitations are right, everything is going as it should be?

**Mr McKIM** - On all of my advice, things are going as they should be. I am happy to take the details of that question on notice. But I have been very upfront about this today. We are under significant pressure in Community Corrections. In a way, we have to make sure that we are not a victim of our own success here, because, strategically, it is very sound to see such an increase, because it means that, as the Director of Corrective Services has said, judges and magistrates are referring people to Community Corrections rather than short terms in prison. That is something that everyone would support in appropriate circumstances. But, as I said, we are having to make sure that we are not overloading our people.

We have, as has been previously advised, appointed three additional probation officers state wide. We are going through a range of training programs for staff in Community Corrections. As the director said, we are at about 34:1 - that is, offender to operational staff ratio - compared to a national average of 24:8. I am not here to say anything other than we are under significant pressure in this area and that we are having to manage things very carefully. Interestingly, the cost per offender per day in Community Corrections, which was just over \$12 in 2008-09, is now down to just over \$10 in 2009-10. So we are actually delivering very good value for money.

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I am happy to ask Mr Williams and Ms Webster as well to talk about how we are working to generate efficiencies in Community Corrections, if that would be of interest?

**Mr DEAN** - Well, it would. What is the visitation requirement of a probation officer to a client? What is the set position? My original question was: is that being maintained. I think you said you might have to take that on notice, minister.

**Mr McKIM** - Have we got those numbers, Ginna?

**Ms WEBSTER** - We can provide those numbers.

**Mr McKIM** - We can provide those numbers, and I will take that on notice.

**Mr DEAN** - I am happy with that.

**Mr McKIM** - I will ask either Mr Williams or Ms Webster to go through what some of the efficiencies are that we are working on right now in this area.

**Mr WILLIAMS** - In a moment I will get Ginna to answer the more detailed question about visitation issues. A couple of years ago we commissioned KPMG to provide us an audit around the structure of Community Corrections. The director has been working very hard with her team to implement those structural reforms. That is part of how we are responding to increased pressure - to have a better structure in place and operate more effectively.

We have also done a number of things in the procedures that we use. We have changed the way we do risk assessments so that we put our effort where we think the biggest risk is. We do not waste effort where we do not need to. That has been a very effective way to work with the courts better to give better timeliness in terms of response and to create less work for us by working closely with some of the other people, like the courts.

These measures have meant that we have been able to manage, although it is quite tough on the frontline staff, the increased workload pressures and still maintain an appropriate approach to the risk that these offenders pose to the community. But Ms Webster might expand on the visitation question.

**Ms WEBSTER** - Thank you. A risk assessment is done for each offender, and the visitation or the appointments that a probation officer will have with an offender is dependent on that risk level. So, for example, a parolee who comes out of prison is automatically classed as a high risk, so we would have increased number of visitations, if you like, with that offender. That might reduce over time, because the offender proves that they are complying with the conditions of their role order, for example, they are attending those visits, they are actually doing the right things in terms of addressing the issues that led to their offending in the first place. So we do have a process where we reassess people's risk as they go through the order. So we have looked at some of those issues, particularly since we have been under the pressure.

Some other things we have also done is we have established a community services order unit because, as you say, completion of those orders is important in terms of providing that reparation to the community but also addressing the reasons why the person ended up with a community service order in the first place. So one of the key things we have done is establish a statewide unit that enables us to better manage those offenders that are on community service. Part of that is to

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establish relationships with other stakeholders in the community - councils, for example - to work with them to make sure that those offenders can complete their number of hours of orders.

**Mr DEAN** - My question follows up from this, minister: there was at one stage concern expressed by the courts that there was a hold up in the return of some pre-sentence reports.

**Mr McKIM** - Yes.

**Mr DEAN** - Where are we now with the pre-sentence reports being provided to the courts? Is that holding up the courts system, or are you on top of that in this area?

**Mr McKIM** - I will ask Ms Webster to answer that, if I might.

**Ms WEBSTER** - Over the last 12 months, Mr Dean, we have actually decreased that waiting period from six weeks to four weeks.

**Mr DEAN** - That is good to hear.

**Mr McKIM** - Community Corrections under Ms Webster's leadership and also Mr William's leadership has been doing a really excellent job coping with significant extra pressure. I place on the record my thanks and congratulations to them for the job they have done.

**Mr DEAN** - In relation to the probation orders, how many breaches are we getting in that area and how many are we getting that are simply running off into the sunset, as it were?

**Mr McKIM** - Do we have that information?

**Ms WEBSTER** - We can provide that information on notice, Mr Dean. I do not have it with me here today.

**Mr McKIM** - We will provide that information.

**Mr DEAN** - Thank you.

**CHAIR** - How many are running off into the sunset?

**Mr McKIM** - I am not sure if we have got a running off into the sunset category. We call them absconders, and we do have that category, and we will provide that information.

**CHAIR** - I just want to ask a question in relation to supervisors for community service work orders. I am not sure if you have had a chance to read *Hansard* and my budget contribution last week, minister. You probably have not.

**Mr McKIM** - It must be in my in-tray.

**CHAIR** - Yes. But I talked about having members of the community as something that has always happened in the past. Is that still happening? Are we still recruiting?

**Mr McKIM** - Do you mean having members of the community as -

**CHAIR** - Supervising community service orders.

**Mr McKIM** - Yes, we do.

**CHAIR** - Are we looking to increase those numbers?

**Mr McKIM** - We have got a concept of a community justice panel, which Mr Williams can fill you in on. I will pass over to Mr Williams.

**Mr WILLIAMS** - We have both our own community service supervisors and those that we recruit from the broader community. One of the concepts in *Breaking the Cycle* is about greater engagement with the community so that the community can both see what is being done in terms of repayment for the offence but also have a say in what that repayment is. I know we have a very strong relationship with the Glenorchy City Council around these sorts of things. That is the sort of model that we are going to try and promote more broadly - going to the local government areas and saying, 'We've got people who have to do something.' Rather than us just pick what is to be done, we say to the community through the local government, 'What do you want these people to do that meaningfully adds to the community?' Further to that, when people are coming out of jail, we are trying to establish relationships with local government to say, 'The local community has some sort of responsibility to help these people transition back in if, in the long term, you want a safer community.' These people have to have meaningful lives and jobs and be pro social in their behaviour. Somehow, the community has to have a role in that.

So that is the sort of direction in terms of community engagement that we are trying to take, to increase it so the community sees it and has more say in how we provide reparation. Local government is a key for us.

**CHAIR** - In relation to actually having people, community members, supervising those, is there a list of particular areas where you would have six people identified, for instance, in Dorset? Are there six people identified that could actually carry out the supervision of work orders? How hard is it to get on the list?

**Mr McKIM** - I will ask Ms Webster to provide some advice.

**Ms WEBSTER** - We have two ways: we have our own casual supervisors who we employ, and we actually advertise that on a yearly basis. We advertise for people in the local communities with those skills to be able to supervise offenders to go out and do this work that the minister has spoken about. The other option is that we have people in certain organisations where we do that work, for example, the council, community neighbourhood houses, who are able to supervise those offenders. We do have a list of people on one hand, but also we have a list of organisations who are able to supervise on the other hand.

**CHAIR** - Minister, can I suggest that there are many, many volunteers who would not need any monetary contribution to supervise these. As a general rule, I think that program could be expanded greatly in many areas. That is something that I would love to see. I am happy to have a conversation with you at a later time about that.

**Mr McKIM** - Very happy to take that on board.

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**Dr GOODWIN** - Just on that point, I think the service clubs might be a fruitful area to follow up. My Rotary Club, for example, has just had a building project for a dogs' home. In my club, the members are getting older and older and there are smaller and smaller numbers - apart from me, of course, although we are all getting older and older - but that might be a fruitful area to consider down the track.

**CHAIR** - We are here to help.

**Mr McKIM** - My advice is that we already do have relationships with service clubs. But I am happy to explore on a case-by-case basis any other of those organisations that might be interested in assisting us.

**Dr GOODWIN** - On the issue of community service orders, is there an issue with a lack of program places? There was a case that Justice Blow was involved in sentencing for. It was a sex offender who committed an offence as a juvenile and ended up being sentenced to a suspended sentence, but the judge wanted to impose a community service order. It was a bit unclear what the issue was, and I am just wondering if it is a broader issue or just that case in particular.

[11.15 a.m.]

**Mr McKIM** - I do not have a specific brief on it here, but I will ask Mr Williams, who is across the detail of this issue, to advise the Committee.

**Mr WILLIAMS** - That was a one-off case. Without going into the detail and airing publicly what was involved in the circumstances, it was a case where, when we did the assessment of the person, there were a whole range of valid reasons why it was difficult to put them on a community service order, including the location they were at. Speaking more broadly, if it is the case of a sex offender, we become more limited about where we can place them. Sometimes, the personal circumstances of a person and other factors make it difficult. So there was a risk assessment on that case, and it is just on a case-by-case basis. My guess is that that is a one-off of a particular set of circumstances that came together to say that person was not suitable.

**Mr McKIM** - I will just indicate that I now have advice in front of me, and my advice is that in this case, a community service order suitability assessment was undertaken in a timely manner by Community Corrections. However, obviously, offenders are not always found suitable to perform a community service order, and, in this instance, the offender was not found suitable to perform a community service order. But it would not be appropriate for me to go into detail about why that is.

**Dr GOODWIN** - That is what Mr Williams said, so thank you for that. Minister, you mentioned in your opening remarks something about tailored interventions for sex offenders. I think that comes into the Community Corrections area.

**Mr McKIM** - Yes.

**Dr GOODWIN** - Can you talk a bit about that?

**Mr McKIM** - Obviously, we run programs in our prison system for sex offenders. I think you and I have had discussions in the past about whether or not those should be compulsory.

**Dr GOODWIN** - Yes.

**Mr McKIM** - And I stand by our position that they should not be made compulsory.

**Dr GOODWIN** - And I stand by mine, so there you go.

**Mr McKIM** - That is fine, but I would be interested to know what research you are relying upon, because I have got plenty to back me up on them not being compulsory, because the research shows that to force someone in places at risk the outcomes for people who are already in those programs. If you have got some research that shows the contrary, I will be very interested to see it.

**Dr GOODWIN** - I am very happy to have a conversation with you about that.

**Mr McKIM** - I have not seen any as yet. Obviously, as I said, we run programs for sex offenders within our prison system. But one issue that we identified not long after I became minister - this was as a result of discussions we had around the extra funding that I was able to obtain for Community Corrections in last year's budget - was how could we better seek to reinforce gains made by people who have done the program for sex offenders within our prison system once they are released from our prisons.

What we have done is engaged in joint training with Community Corrections and TPS staff. Five probation officers were trained to deliver effective interventions and community-based programs for sex offenders. I can indicate that Community Corrections is currently supervising 35 sex offenders subject to probation, parole or community service orders.

We need to make sure that we take great care around this. I acknowledge that the interventions need to be based on best practice, and the Community Corrections project manager has been researching sex offender programs Australia and worldwide. We have appointed that project manager in November 2010, and we are in the process of developing and implementing the delivery of group-based rehabilitation intervention programs to offenders as well as developing an operating model for the Community Corrections program units. We are significantly advanced in dealing with this issue.

Community Corrections also adopts a through-care approach dealing with parolees who have completed the prisons program for sex offenders, New Directions. This includes a handover process, which includes prison staff, probation officers and the offender's support group.

**Dr GOODWIN** - Can I just clarify that? This new initiative that you are working on, is that for offenders who have been released from prison and it is a maintenance program? Or is it also for offenders serving community-based orders?

**Mr McKIM** - Well, it is certainly the former, and it will be the latter, if necessary.

**Dr GOODWIN** - That is excellent. I am pleased to hear that that approach has been adopted.

**Mr McKIM** - Thank you for your support, Dr Goodwin.

**Mr DEAN** - Good to hear you two are on an even keel.

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**Mr McKIM** - It does happen from time to time, Mr Dean.

**CHAIR** - It is good that *Hansard* will reflect that the minister and Dr Goodwin agreed.

**Dr GOODWIN** - You have adopted our policy.

**Mr McKIM** - It was going so well, until you tried to get that one in there.

**CHAIR** - Another question on this area, Dr Goodwin?

**Dr GOODWIN** - I have been completely thrown by that, but, yes, I do have another question. Minister, last year you mentioned you had asked the university to have a look at some programs for people convicted of dangerous driving and also for people convicted of violent offences. Can we have an update on that?

**Mr McKIM** - We have received a research paper back from the university, and that is currently under consideration.

**Dr GOODWIN** - Are you going to make that public, or are you just sitting on it internally?

**Mr McKIM** - We were not planning to make that public. I do not think there would be anything too outrageous contained in it, but I have not seen it yet. At this stage, it is not our intention to make it public.

**Dr GOODWIN** - I could not resist asking this question: the Sober Driving program, is that just for first-time offenders or for repeat offenders?

**Mr McKIM** - Sorry, could you repeat the start of that?

**Dr GOODWIN** - The Sober Driving program, is that for first-time offenders or just for repeat offenders?

**Mr McKIM** - Interesting question. I will be very careful in the way I answer that today of all days. If I could augment my answer to your previous question, Dr Goodwin, around the public release of the university research, I am very happy to provide that to you.

**Dr GOODWIN** - Thank you, I appreciate that.

**Mr McKIM** - I will provide that to you for your interest and information, the research paper that we were referring to.

Now, Sober Driving, I will take some advice on that.

**CHAIR** - Minister, with all due respect, I would expect that if it was good enough to release a paper to Dr Goodwin, it would be good enough to release it to all members of the Committee.

**Mr McKIM** - I am happy to do that. Tabling would make it a public document, but I am very happy to release it to all members.

**CHAIR** - Thank you, I appreciate that.

**Mr McKIM** - I also need to talk to the university. They did not prepare it in the knowledge that it might be made public, so there are obviously some delicacies there, but I am very happy to provide a copy to all members.

**CHAIR** - Thank you.

**Mr McKIM** - Now, Sober Driving - I am making no comment on anything other than a direct answer to the question - that is, people will need to be on their second or more conviction in five years to access that program.

**Dr GOODWIN** - Do you have figures on the number of people going through that program?

**Mr McKIM** - Yes, I do. To date, a total of 118 offenders have successfully completed the Sober Driving program. We have a very high number of referrals currently, particularly from the Magistrates Court, of offenders with drink-driving related offences. That is how we are going on that.

**Dr GOODWIN** - Can I just ask about the court-mandated drug diversion?

**Mr McKIM** - Yes.

**Dr GOODWIN** - You have picked up some responsibilities for that as well, have you not? Can you just inform the committee about what has happened there?

**Mr McKIM** - Yes. It is important to talk in general terms about the court-mandated diversion program. It deals with a cohort of offenders whose risk of reoffending is not addressed by incarceration, so it is specifically targeted at those people or at that cohort. This sort of intervention is an effective way to break the drug-crime cycle. CMD has assisted numerous offenders who would otherwise have been sent to prison to address addiction issues, and a number of improvements have been made to CMD since it amalgamated with Community Corrections about the middle of last year.

In terms of the numbers, I can tell you that there are currently 76 offenders actively participating in the court-mandated diversion program around the state - 36 in the south, 21 in the north and 19 in the northwest. That is probably the best I can offer you in terms of numbers at the moment, unless you have any further detailed questions about that?

**Dr GOODWIN** - No, I am just wondering about the transition. I think some of the services were delivered by Anglicare previously. Has the transition to Community Corrections taking over those responsibilities been relatively smooth? Is everything working as it should?

**Mr McKIM** - Yes, by all accounts I believe it has.

**Ms WEBSTER** - We're still in transition.

**Mr McKIM** - Still in the transition period. If I might, Madam Chair, I have just had confirmation on the number of interstate prisoner transfers, if the Committee would like to receive that verbally, we can give that now.



**CHAIR** - We would.

**Mr WILLIAMS** - Of the applications for transfer to Tasmania, two were approved and one was withdrawn by the applicant. That was three in total, but only two resulted in a transfer. Applications from Tasmania, two were refused by the interstate jurisdiction, as is their discretion. One was withdrawn, and two are still pending. I think we said one was pending, but there are two pending at the moment for people moving from Tasmania. I think the important thing there is that unless there is a very strong reason not to bring the person here, if it is going to be better for their rehabilitation or their socialisation - closeness to family - we are a state that is known for accepting those transfers.

**CHAIR** - How long does the process take, for instance, from the time that an application is lodged until there is an answer, if you like?

**Mr WILLIAMS** - It is about three months. The various ministers have to exchange notes. We have to send files interstate. So if we received a request, we would actually receive the full file, because obviously we do not want to receive somebody who is going to upset our prison system because of whatever type of offence they have committed or perhaps they are a particularly violent offender and will not fit in our system. That takes quite a while to do, to get those papers all moved around. Probably three to four months is the sort of time frame we are looking at.

**CHAIR** - I have a particular interest. That is why I am asking.

**Mr DEAN** - The cost of a prison transfer to this jurisdiction, is that a cost that is paid by the transferring organisation, or is it picked up by this state for the remainder of their sentence that they are serving?

**Mr WILLIAMS** - No, we pick up the cost of their maintenance. The actual transfer costs are met by the interstate jurisdiction.

**Mr DEAN** - We pick up the daily costs and charges?

**Mr WILLIAMS** - We do.

**Mr McKIM** - As they would for us, if we transferred prisoners to them.

**Mr DEAN** - It is a reciprocal arrangement?

**Mr McKIM** - Yes.

**CHAIR** - Thank you. We will get back on to Community Corrections. We appreciate that, because it helps with the gathering of our information. Mr Dean.

**Mr DEAN** - In relation to the community service orders, are there any situations, minister, where we have had injury or concerns in relation to those areas of the person completing the community service order?

**Mr McKIM** - Injuries to -

## UNCORRECTED PROOF ISSUE

**Mr DEAN** - On the job, whilst they have been working. If there have, what are the numbers, and what is happening?

**Mr McKIM** - We are aware of one injury in recent times to someone who was a CSO.

**Mr DEAN** - Were there any costs against us - the government?

**Mr McKIM** - My advice is that it was a needle stick injury in a park, and we are not aware of any costs against us on that.

**Mr DEAN** - An interesting issue.

**CHAIR** - Rolling on.

**Mr DEAN** - What about abscondee from that program?

**Mr McKIM** - We have that already probably listed in how many are wandering off into the sunset, I think, so we will take that on notice and come back to you.

**Mr DEAN** - That is all I had, Madam Chair.

[12.00 p.m.]

**CHAIR** - If it is agreeable with you, Minister, Dr Goodwin has a couple of questions in relation to prison services she would like to put on notice now that those key advisers have gone.

**Mr McKIM** - If you would like to put them to us, we will answer them if we can, and if not we will take them on notice.

**Dr GOODWIN** - Thank you. I have a question about the escape rate performance indicator in the Budget Papers on 7.19 in Table 7.14. It is measure in the number per 100 prisoner years. Can you explain why you use that indicator?

**Mr WILLIAMS** - It is what is used in the report on government services, and we basically just plug into that.

**Dr GOODWIN** - Have you considered using a more helpful indicator?

**Mr McKIM** - Do you find that to be unhelpful?

**Dr GOODWIN** - Yes, I do, because there was an escape last year, but it doesn't show up in here.

**Mr McKIM** - On my advice from the Secretary, it is a measure from the Productivity Commission. Probably it would easier to maintain some kind of national consistency here in the way we measure these things so that we can be compared with the rest of the country and praised if we are going well and criticised if we are failing. Do you want the stats?

**Dr GOODWIN** - Yes.

## UNCORRECTED PROOF ISSUE

**CHAIR** - There were ones that were not reported in the media?

**Mr McKIM** - They didn't make it into the media!

**Mr WILLIAMS** - In 2007-08 there were three from Hayes. In 2008-09 there were no escapes at all. In 2009-10 there were no escapes at all. Last year - in 2010-11 - touching wood, there have been three - the one from maximum security and two people tried to escape from Burnie Magistrates Court during transport. We put those in the category of secure perimeter escapes, rather than walk-offs.

**Mr McKIM** - These all received media publicity and all were captured within a very short time.

**Dr GOODWIN** - In the Palmer Report there is mention that some administrative office space in the refurbished education and program centre in the medium-security area has been occupied by custodial officers to the exclusion of educational program staff numbers. Why is that?

**Mr McKIM** - The reason is that the educational staff refused to enter that area due to concerns about OH&S. That is part of the reason we are constructing three new rooms for education and similar programs as part of the \$3.5 million we were discussion earlier.

**Dr GOODWIN** - It doesn't read that way in the Palmer Report.

**Mr WILLIAMS** - The reason that that became a problem was that after the incident in December 2009 in medium security when a couple of officers were seriously assaulted we did a lot of security upgrades to medium security, including to that building. As yet the staff of the Education and Integrated Offender Management Unit have not felt comfortable about going back into that building full time. It is used for classes and programs, but they didn't want to locate their office space back in there. So the correctional officers have just used it because there is no-one else using it at the moment. When we build the additional facilities for the education program, the educational facility will have a wall that is available to be removed to continue the growth of the building under the next phase of infrastructure development. I guess one of the things that will happen as a result of the change management process is some cultural change in program delivery and access to education.

**Dr GOODWIN** - Are you able to provide some information on the rehabilitation programs that have been on offer in the last financial year, and how many prisoners have participated?

**Mr McKIM** - We probably have some information we can share with you. If what we give you is not satisfactory then we are happy to provide further information on notice.

**CHAIR** - Minister, if it is fairly lengthy, we would be happy to have it on notice.

**Mr McKIM** - I will just read it quickly. We run the following non-criminogenic programs: Preparing for Change, based on cognitive behavioural therapy; Getting Smart, which is designed for self-management of both drug and alcohol issues; and Turning Point. In the criminogenic area we run Making Choices, which targets both general and violent offending; Pathways, which is an intensive drug and alcohol program; and New Directions, which is our sex offenders' program. If you have any specific questions, I have reams of information here.

**Dr GOODWIN** - I just wanted the numbers who participated.

**Mr McKIM** - I have numbers for most of them and we would be happy to provide that to you on notice.

**Dr GOODWIN** - Another question is in relation to how many prisoners currently work in prison industries. Is it possible to get a breakdown for each industry?

**Mr McKIM** - We do have an overall number, I am advised.

**CHAIR** - Are the number plates still done under the new system?

**Mr McKIM** - No, and I don't think we sew mailbags either! Through our prison industries we provide work for approximately 100 inmates.

**Dr GOODWIN** - Are you able to break that down by industry?

**Mr WILLIAMS** - I can certainly tell you now that there are two types of industry inside the prison - the service industry, that is, running the prison and the other is the commercial activities. Fifty-one per cent of prisoners are employed in the services industry and 18 per cent of the prisoners were employed in commercial industries. That is lower than the national average.

**Mr McKIM** - But the number of prisoners employed in the service industries is higher than the national average.

**CHAIR** - What percentage are you hoping to reach with the proposed redevelopments, Minister?

**Mr McKIM** - The national average is 30 per cent, so we hope to be able to meet that. But a lot of that will depend on the decisions we make around potential prison industries in the future. I now have a copy for all members of the number of participants in the programs I mentioned.

**CHAIR** - Thank you very much.

**Mrs TAYLOR** - The 18 per cent covers Hayes as well?

**Mr McKIM** - Yes, that includes Hayes.

**Dr GOODWIN** - Prison lockdowns - can you provide some information on those?

**Mr McKIM** - You will be happy to know, Dr Goodwin, that the reason that I can provide these figure is that when I was sitting on your side of the table, I made a bit of a song and dance about the fact that they were not able to be provided, and now - somewhat gratifyingly - they are.

**CHAIR** - Is this what happens when you get to the other side, Minister?

**Mr McKIM** - When you get to this side, you continue to provide those figures. The thing about lockdowns is that they do provide one way of just taking the temperature of the prison, if you like. Since the beginning of the 2010-11 financial year, we have been fully or partially locked

down on 161 occasions, and of those numbers, 89 occurred within RPC. That doesn't mean we have locked down the entire prison on 161 occasions. In most of those cases it was individual units that were affected, not the whole prison. If an individual unit is locked down the remainder of the facility can continue to operate normally.

**Dr GOODWIN** - Does that equate to days?

**Mr McKIM** - That equates to numbers of lockdowns so that would not be a figure of days,

**Dr GOODWIN** - Do you have a figure in days?

**Mr McKIM** - I am not sure that we keep hours' duration of lockdowns.

**Mr WILLIAMS** - It is half days, days - and we just record -

**Mr McKIM** - I can give you the approximate table number of days. This is in 2010-11, as of 20 June. No days at Hayes; 1.5 days at Ron Barwick; 2 days at Mary Hutchinson, which is the women's prison; 6.5 days at Hobart reception; 12 days at Launceston reception; 17 days at RPC medium-security; 23 days at RPC maximum-security; and 16 days at eh Ron Barwick Minimum Security Prison for RPC maximum inmates - that would have been during the emergency period we had. Those figures are probably inflated somewhat by the emergency late last year.

**CHAIR** - Thank you. I think that has been a fairly extensive time we have spent on that. We will now move to Output Group 8, which is Consumer Services.

## **Output Group 8 Consumer Services**

### **8.1 Fair, Safe and Equitable Marketplace -**

**Mr McKIM** - Could I introduce someone who would be well-known to Legislative Council members, Mr Chris Batt, who is the Director of the Office of Consumer Affairs and Fair Trading.

**Mrs TAYLOR** - In terms of the net cost of the output, it is reduced by \$248 000 due to the increase in retained revenue of about \$210 000. That retained revenue is due, according to the notes, to the increased interest earned on residential tenancy bonds. It is just a couple of years, isn't it since the Residential Deposits Authority came into being -

**Mr McKIM** - Yes, it is a relatively new system.

**Mrs TAYLOR** - Yes, the bonds used to sit with landlords and now they sit with the RDA. But that increased revenue generated from that interest, where is that being applied? It looks as if it is just going across the board.

**Mr McKIM** - It is actually applied to administer the system. The idea when the system was designed was that eventually it would become self-funding. That is, the money from the interest on the bonds would actually fund the RDA system. It is not self-funding yet, but we are moving towards self-funding.

[12.15 p.m.]

## UNCORRECTED PROOF ISSUE

**Mrs TAYLOR** - I did not realise you were using that to fund the service, because one would hope that you would not apply it to general consumer services revenue and that it could well be going back into housing agencies such as Colony 47 or the Tenants Union.

**Mr McKIM** - In fact it is the opposite at the moment, Mrs Taylor, where we subsidise the operation of the RDA from other sources rather than the other way around.

**Mr FARRELL** - My question was related to that about hoping to get it to a break-even point, and I just wondered if it is on track to do that and if there are still any issues that have been coming up. I think there were a few issues when it was being established that were ironed out fairly smartly.

**Mr McKIM** - I will ask Mr Batt whether he can assist us in terms of the time line for it to be self-funding but it did commence on 1 July 2009. Over 22 000 bonds have been lodged with the RDA and almost 9 500 bonds have been paid to tenants and property owners. There have been 1 700 bond disputes resolved, and that is a significant increase on the number of bond disputes handled prior to the RDA by the Residential Tenancy Commissioner which was around 125. So that shows there was a need within the community for the Rental Deposit Authority to allow for disputes to be managed in a fair and equitable way. The volume of dispute resolutions has been significantly more than what was estimated, and that has resulted in some delays. But we are working hard to streamline our processes under Mr Batt's leadership to ensure that we do the best we can in terms of turning around disputes within a reasonable time frame. Part of that is a computer system to manage the processes involved in the management of the system. In terms of a timeline for it to be self-funding, we expect that within the next two years the RDA will be fully self-funding from interest on bonds held by the authority.

**Mr FARRELL** - Thank you.

**Mr DEAN** - I am wondering how many enforcements there have been in relation to the product safety standards. How does that occur? Is it done by inspectors going out there and inspecting these areas or is it done by complaints coming in to the organisation?

**Mr McKIM** - I am not aware of any specific enforcements that have happened in the last financial year but we do lots of PR around potential issues, including sometimes I might put out a media release as minister. Mr Batt and his team do a range of other activities based on the need to properly inform the community about their safety in relation to consumer products.

**Mr DEAN** - Is it normally done by reports coming in? Do they simply wait back for a report or is this area inspected? Are there inspections carried out around the State periodically or is there an under support in this area?

**Mr McKIM** - Firstly we do do proactive inspections particularly of toys, but obviously a lot of our work is a complaints-based reactive response.

**CHAIR** - Is there any monitoring of information technology of the various scams that go around? Does that come into that area as well?

**Mr McKIM** - Word comes to us from time to time of the scams. Often we would receive feedback from someone who believes that they have been targeted by such a scam. In fact, I put out a media release very recently about some scams that are going on. We try to keep the

community as informed as we can about scams and particularly online scams. All members will be aware that they are growing in number and sophistication as we move forward. We do not always receive the cooperation we would like from the media in our attempts to publicise these things - we can but try.

**CHAIR** - That is not a sensational story, minister?

**Mr McKIM** - ASIC at a national level has a scamwatch website. We work very closely with ASIC, as do other State jurisdictions in this area, and we also work with other State jurisdictions so there is good information sharing at a national level. It is something that I do not think we are going to be able to remove entirely in our society because, where there is an opportunity, unfortunately someone will often try to take advantage of that opportunity. Mr Batt points out that many do originate from outside our jurisdiction, from overseas. It is very difficult obviously to police those.

**CHAIR** - And some originate from Australia and then they flee overseas. So that is a real problem.

**Mr McKIM** - No doubt.

**Mr FINCH** - I realise a lot of consumer protection is federal rather than State matters. I am interested in the reference in the budget book under 8.1 on page 7.21 where it says there is a 'move to national uniformity in a number of policy areas'.

**Mr McKIM** - Certainly consumer law would be the biggest. In fact, this Parliament recently passed legislation to give effect to Australian consumer law. That was basically a COAG process that resulted in a framework called the Australian consumer law. It contains many of the former Trade Practices Act provisions that have been consolidated into a single national law including unfair contract terms, layby sales and refunds. What we have done through the Office of Consumer Affairs and Fair Trading is proactively distribute information to traders detailing the requirements of the new laws. The office has also visited a number of traders to explain the new provisions. Australian consumer law is jointly enforced by Consumer Affairs and Fair Trading and the ACCC.

**Mr FINCH** - Thanks, chair.

**Dr GOODWIN** - We have not asked about tenancy law reform yet. Is it all on track?

**Mr McKIM** - It is. We are reviewing the RTA, the Residential Tenancy Act. This is an area that I have significant personal interest in and I know a range of other people who are very interested in this area. The review will examine a range of matters, but specifically some of the things I have a view that we need to look at include security of tenure, dispute resolution where we have some more improvements we can make, and also minimum standards of rental accommodation. There is an argument that we should be bringing in some minimum standards to try to make sure that we do have rental accommodation stock in Tasmania that is suitable. I can indicate that I am personally of the view we need to have a look at the issue of mandating fire alarms in residential tenancies. I have asked that that be considered as part of this review, including hard-wired fire alarms.

**Dr GOODWIN** - They are not compulsory at the moment?

**Mr McKIM** - I have just been advised that we have legislation coming in later this year regarding residential tenancy databases. The question you just asked was?

**Dr GOODWIN** - The fire alarms are not compulsory at the moment?

**Mr McKIM** - No, they are not. We are the only jurisdiction in Australia that does not. That is why I have moved on it.

**Dr GOODWIN** - Just in terms of that review and any legislative changes that come out of it, do you have a timeline?

**Mr McKIM** - Yes, I do. We have put on a full-time project officer to do this because it is quite a big job. We had a conference in Hobart - I think you were there, Dr Goodwin, no, sorry, it was Ms Archer who was there - and I gave a presentation on that project. As I have said, we have appointed a full-time officer. We have conducted stakeholder reference groups with industry and community organisations, everyone from the Tenants' Union through to Housing Tasmania and the Property Council. I also went along and gave a brief presentation to the stakeholder reference group. We are currently working on a discussion paper that has come out of that reference group. That will be published later this year - we hope in October.

I was concerned about the fact that we are doing a thorough review, and that takes time, so I have taken the issue of the mandatory installation of fire alarms out of that review because I wanted some advice on that in a quicker timeframe. I believe that we will be in a position to introduce legislation in relation to smoke alarms after the winter break so that that will be dealt with and expedited, rather than let what is effectively a simple issue get caught up in a broad review of the act that will undoubtedly take time because of the general consultation process.

**Mr FINCH** - Minister, how far did you get with your advertising of unhealthy food?

**Mr McKIM** - I am glad you asked, Mr Finch.

**CHAIR** - This is not a DD, is it?

**Mr McKIM** - No, it is not. In fact, far from it - as will become apparent when I give you the answer.

**CHAIR** - Oh sorry, wrong member.

**Mr McKIM** - I did seek legal advice from the Solicitor-General. The advice has come back that in the view of the Solicitor-General it is unlikely that we have the capacity to legislate so as to impose a ban on junk food advertising that targeted children. That relates to the Commonwealth constitution. What I can say in brief is that in effect the advice was that the federal legislation covers the field in this area and there is no space for us to legislate in Tasmania.

I am very disappointed to receive that advice. Nevertheless it is the advice of the Solicitor-General. I acknowledge that will make it unlikely we can legislate to this effect in Tasmania, although I have asked Consumer Affairs and Fair Trading to investigate means by which to restrict exposure of children to junk food in Tasmania. I also intend to take this matter up at the Commonwealth level because on the basis of that advice I believe it would need to be addressed



in the Commonwealth Parliament. You would be aware that Senator Bob Brown has attempted to move in the Senate legislation in relation to banning the advertising of junk food targeted at children. To date that has not been finally resolved. However, I accept unfortunately and reluctantly it is unlikely I will have success in this area at a State level due to that advice from the Solicitor-General.

I am just advised there are reports in the media today that, notwithstanding the voluntary code, the level of advertising of junk food targeted at children is on the increase. This is a significant public policy issue that needs to be addressed. I am not complaining about the advice but I am disappointed that in effect I will not be able to move forward and legislate in this area in Tasmania, because I accept that it would be unlikely the Cabinet would support legislation on the basis of that Solicitor-General's advice. However, I am not giving this up. I will move forward, if I can, at a national level to address this because I still have the same view that I always had, which is that given the situation where today's children are the first generation in many generations that will have a life expectancy of less than their parents because of the obesity epidemic in children, I believe this is an area of public policy that needs addressing. If I cannot do it unilaterally at a State level, then I will move at a national level to try to get the Federal Government involved in it.

**Mr FINCH** - Thanks, minister.

**Mr DEAN** - Minister, on the tenancy laws again, we have heard a lot about the changes that are probably necessary to provide greater protection to tenants. What about the area of providing greater protection to the owners of these properties? We can listen and watch the television and so on about the tenants from hell that we have, and we have many of them unfortunately, here and on the mainland. What has been done to provide the owners of these properties with reasonable eviction opportunities and removal opportunities? This is an area of concern.

**Mr McKIM** - I can say firstly that we are taking a balanced approach to reviewing the Residential Tenancy Act, and that includes having organisations representing property owners such as the Property Council, and in fact Housing Tasmania is obviously a very significant property owner in Tasmania. We have made sure that the reference group covers both sides, if you like, although they are two sides of the same coin. I can indicate that I am currently a property owner and I have a property that I am renting out, and I have also rented many properties in my time, so I know this issue personally from both sides of the equation. The members of the reference group who are representing property owners have had the opportunity to put all of their case, and no doubt some of what they have put in that reference group will make its way into the discussion paper that we release. This is a consultative process we have designed to genuinely engage not only organisations representing tenants but also organisations representing property owners.

**Mr DEAN** - That is good to hear, because they feel like they are a group that is left out in a lot of this.

**Mr McKIM** - We are very conscious of the need to hear from property owners as part of this process. There are many reasons for that, including the fact we need to do what we can to boost supply in residential tenancy properties in Tasmania because rents in the private sector are historically quite high at the moment. That is for many reasons, obviously including the supply and demand issue. We need to make sure that we do not put into place a regime that results in either a significant reduction in demand or a lower increase in demand than otherwise would have occurred for residential properties.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Thank you. Now I would like to move on to grants and subsidies. I was not able to find any reference at all in the budget papers around this allocation. It has an increase of around \$500 000 but there is not any information relating to grants and subsidies. Thank you. I thought it would be forthcoming fairly quickly.

**Mr McKIM** - I am not sure that I can assist you on that.

**CHAIR** - It is in 7.6.

**Mr McKIM** - I will seek some advice from the senior departmental officers. My advice is those numbers relate to the agency as a whole, not just to my portfolio of Corrections, and my preliminary advice is that it may relate to the Sullivans Cove Waterfront Authority.

**CHAIR** - Some of it.

**Mr McKIM** - Some of it may relate to the Sullivans Cove Waterfront Authority. What I can tell you now, if the committee would scratch from its memory the advice I previously gave you, SCWA, which is the Sullivans Cove Waterfront Authority, is the line item in grants and subsidies at the top under the Minister for Planning; and the grants and subsidies under the Minister for Workplace Relations -

**CHAIR** - Which is not you either.

**Mr McKIM** - Which is not me either - is, on my advice, the Workcover board. Neither of those fall within my portfolio responsibilities.

**CHAIR** - I am pleased to say that I was not going mad after all.

**Mr McKIM** - I am not accepting any responsibility for anything there.

**CHAIR** - There was not anything relating to your particular area in those grants and subsidies. I will move then to division 6, which is the capital investment program. I know that we have talked quite a bit about prison infrastructure redevelopment programs, but there are a couple of questions in that area. I would invite Dr Goodwin to ask her question.

**Mr McKIM** - Can I just seek some clarification from the committee. Will that be all that Mr Batt is required for in Consumer Affairs and Fair Trading?

**CHAIR** - If the grants and subsidies were not relating to you, Mr Batt, thank you. We appreciate your time today.

### **DIVISION 6**

(Capital Investment Program)

**Dr GOODWIN** - I am not sure whether the money is all coming out of the Hayes sale or possibly some is coming out of the Prisons Infrastructure Refurbishment Program, but you mentioned the pre-release transition centre. Can you talk a little about what that will look like?

**CHAIR** - I remind the minister that we are into our lunch break.

**Mr McKIM** - Are we? I will be very quick in that case. What we're intending to do as a first stage is to refurbish an existing structure we have which is known as the cottages.

**Dr GOODWIN** - Did Mr Palmer mention that?

**Mr McKIM** - He had his office there, I think, didn't he? His inquiry was based there and by all accounts it is a reasonably nice place to base yourself, but that is what this will be and moving forward we may extend it to building more structures in that demographic area but certainly this will be money from the sale of Hayes in terms of the transition centre and in the first case it would be refurbishing the existing structures. We may add on a little bit here and there once we get further down the planning road.

**Dr GOODWIN** - So in that sense it would be an open facility; they wouldn't be locked up at night or anything like that?

**Mr McKIM** - No, it is intended to be an open facility at this stage. We probably would have some kind of a fence around it but it would be more designed to stop people getting in than getting out.

**Dr GOODWIN** - So people could go out for work and that sort of thing?

**Mr McKIM** - Yes. As you would know, Dr Goodwin, people can go out even from our secure prisons for work placement at the moment; there are a number of programs running there and certainly it would be part of our plans, on a case-by-case basis that, where appropriate, people in that facility would be participating in work programs.

**Dr GOODWIN** - Would they still be serving their sentences or would they be on parole?

**Mr McKIM** - They'd still be serving their sentences; it's a pre-release program. We also offer services in partnership with Housing Tasmania for post-release prisoners but this is specifically a pre-release program.

**Dr GOODWIN** - How many do you think you might be able to accommodate down the track?

**Mr WILLIAMS** - To start with we're probably thinking around 20 to 30.

**Dr GOODWIN** - And they'd be able to cater for themselves?

**Mr McKIM** - Yes, that's the idea, to teach them cooking skills and general life skills and get them more used to taking responsibility for some of the things we all have to do in our daily lives that they may not have to while they're incarcerated in other parts of the prison.

**Dr GOODWIN** - Just in terms of the prison infrastructure redevelopment project, the Government's response to the Palmer Report refers to 'future stages'. Do you have any idea how many future stages there might be?

**Mr McKIM** - I think we go up to J or something, don't we?

**Mr WILLIAMS** - Yes, there's a whole range.

**Mr McKIM** - A whole range, including the Launceston prison. When it was first decided to do prison infrastructure redevelopment work, Justice went through a long process and consulted and planned it out and it went up to, I think, J, but I may be a letter or two out. We are currently up to planning and this year we will be implementing the first stage of D so we have a fair way to go, but nothing past D is currently funded.

**Mr GAFFNEY** - 'D' stands for Devonport Remand Centre.

**Mr McKIM** - No, it doesn't!

*Laughter.*

**CHAIR** - Good try, Mr Gaffney!

**Dr GOODWIN** - Is there only one stage to D?

**Mr McKIM** - I am advised there will be phases to that stage but we have brought forward the \$3.5 million so I guess that will be phase one which will be the urgent restructure needs I mentioned earlier and we are now going through the planning process around expending the remainder of the first stage D grants.

**CHAIR** - Are there any other questions that relate to this particular capital investment program for the minister before we suspend for lunch?

**Dr GOODWIN** - Can I just ask a clarification question around that because originally with stage D I think the total estimated capital cost was about \$48 million, which Mr Palmer identified. For the remaining phases would that add up to \$48 million?

**Mr McKIM** - On stage?

**Dr GOODWIN** - Stage D.

**Mr McKIM** - The only amount currently budgeted is the \$20.7 million in the forward Estimates for this Budget. So the remainder of stage D is unbudgeted and anything past stage D is also unbudgeted. So there is no allocation made in the forward Estimates, and there will be battles for current and future corrections ministers to fight through the budget process to achieve funding for those things.

**Dr GOODWIN** - So are things like the geriatric unit that Mr Palmer recommended and the purpose-built facility for high-risk prisoners that the Ombudsman recommended not included in the \$20.7 million?

**Mr McKIM** - They may be included in the \$20.7 million. We are now going through a process plan. We have announced how we will spend \$3.5 million so that is \$3 million on the urgent infrastructure requirements that I mentioned earlier, half a million to plan. As part of that planning we will then prioritise the expenditure of the remainder of the \$20.7 million, and that may well include a purpose-built facility for managing some of our more difficult inmates as recommended by the Ombudsman.

**CHAIR** - Thank you. Minister, I take the opportunity now firstly to thank you for this morning's session - it is been very enlightening - and particularly the way in which everyone has handled themselves. We will resume at 2 p.m., when we will be dealing with sustainable transport - I look forward to that - and then education. I know we have not needed the tissues this morning, but we may need them this afternoon.

**The Committee suspended from 12.43 p.m. to 2.00 p.m.**

**Monday 27 June 2011 Estimates Committee B (McKim) - Part 2**

**DIVISION 6**

(Department of Infrastructure, Energy and Resources)

**Output group 1  
Infrastructure**

**Mr McKIM** - If I might make a short overview statement, if that is all right with the committee, Madam Chair? I might start by introducing the gentlemen here at the table with me. This is Mr Norm McIlfattrick, who is the Secretary of the Department of Infrastructure, Energy and Resources, and this is David Peters, who is Deputy Secretary and Commissioner of Transport.

**CHAIR** - Welcome, gentlemen.

**Mr McKIM** - Briefly, if I might, Madam Chair, obviously, the sustainable transport portfolio is a relatively new portfolio. Historically, these matters have been handled by the infrastructure minister. Of course, the infrastructure portfolio historically has focused on things like road and freight movement and cars.

**Mr FINCH** - And bikeways.

**Mr McKIM** - Well, I do not know how historically focused we have been on bikeways, but certainly in recent times there has been a greater focus on bikeways. But historically within the infrastructure portfolio passenger transport activities have been really in the main about the purpose of bus services designed to ensure a safety net for the transport disadvantaged. However, with the creation of the sustainable transport portfolio that has changed. I do not have responsibility for private motor vehicles, public roads or freight movement. I am not the minister for cars; I am the Minister for Sustainable Transport, and my focus is on moving people and doing it in a way that is sustainable. My portfolio does not ignore roads and vehicles, because they are integral parts of our passenger transport system here in Tasmania, but they do not make up the full picture of my portfolio responsibilities.

The passenger transport division of DIER was created in 2007 to increase the focus on passenger transport issues. The initial work of the division - it has done some very good work since it was created in 2007 - includes the development of the Tasmanian urban passenger transport framework and the implementation of the four passenger services review, the findings of which we are still waiting for today. I will talk a little bit more about that later.

The Tasmanian urban passenger transport framework described six key action areas to improve Tasmania's passenger transport system. In brief, these were: moving minds - that is, increasing public awareness, acceptance and knowledge of public transport, walking and cycling; moving places - that is, to designate key corridors and build population density around those key corridors to support mass transit; moving people - that is, deliver high frequency public transport with high quality infrastructure; moving policy - that is, to ensure that incentives are directed to PT to encourage passengers away from using private vehicles; moving legs - that is, encouraging walking and cycling; and move forward - that is, adopting a long-term approach to integrated land use and transport planning, which is a really key area.

I have a lot of other information, but I suspect this will be elicited from me, but if I could just talk about one thing, if I might, Madam Chair, and that is the service development plans that we have put in place around Tasmania's private sector bus operators. We have allocated \$1 million in each of last year and this upcoming financial year to roll out service development plans. These were set up to help develop passenger transport as a genuine first choice, to define new standard or extended non-metropolitan bus services. For example, O'Driscoll Coaches is the classic example. This will be of interest to Mr Farrell, obviously. Mr O'Driscoll is a very good operator. He has trialled, with support from the department, an extended timetable, including additional evening Saturday and Sunday services for 12 months. I am pleased to report that they have been very well patronised since they came in. Even though they were well patronised to start with, passenger numbers have increased from that high bar over the course of this trial, and we will evaluate that at the end of it, but it is looking quite encouraging for those extra services at this stage. And another trial we have put in place is between Hobart and the Huon Valley. Again; commuters have responded very favourably to those trials.

The reason I mention them is that this is a classic example of the Government listening to what bus operators were asking of us, implementing that strategy with financial support from the State Government, and I believe we will see long-term improvement in bus services to many rural and regional parts of Tasmania as a result. So I would just like to thank everyone in the department who worked on that and also all of our partners in the private bus sector in Tasmania who have been very willing and enthusiastic participants.

**CHAIR** - Thank you, minister, for that overview. I will hand straight over to Mr Farrell, who has an interest in O'Driscoll's.

### **1.7 Passenger transport**

**Mr FARRELL** - I will mention O'Driscoll's shortly, but I would like to move on to the Hobart-northern suburbs light rail plan.

**Mr McKIM** - Yes.

**Mr FARRELL** - I certainly can concur with the minister that the O'Driscoll's service in the Derwent Valley and now Upper Derwent Valley is working very well. He is a very good operator who has recognised the benefits of having modern buses -

**Mr McKIM** - That is right.

**Mr FARRELL** - that are warm and comfortable and he has good staff to operate the services. He has really taken it forward in leaps and bounds. It was certainly something that had

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been missing in the Derwent Valley area for a long time. Everyone that I speak to, including my own children who use his service, cannot speak highly enough of the service that we currently have.

**Mr McKIM** - That is in line with the information I have received. I should also mention that we have partnered with Mr O'Driscoll's company and other companies in our provision of Wi-Fi partnership as well. So a number of his buses are now Wi-Fi equipped, and that was launched very recently. It is in the form of a pilot, really, at this stage, and we will be having a look to see how that is going as we move forward.

**Mr FARRELL** - Certainly with that model, it would be very pleasing if, when we start to work on our sustainable transport through the northern suburbs, that we involve an operator, a private operator like O'Driscoll's, maybe even two, to manage that service. I think there is great benefit with a cooperative Government-private operator approach to transport. I think the next big thing in transport, particularly in the Derwent electorate, will be, hopefully, the development of a Hobart light rail system. I have the report that came out, and I have a few -

**Mr McKIM** - Is that stage 3, the third stage report?

**Mr FARRELL** - Yes, this is the third stage project.

**Mr McKIM** - If I could indicate, through you, Madam Chair, that I am yet to see that, for entirely appropriate reasons. That is a draft report that was provided to the community advisory panel that I established. The process that the first two stages went through is that the draft report has gone to the community advisory panel. They have then had an opportunity to go through any issues or concerns or suggestions they may have with the consultant. That stage of the report - stage 3 - will be finalised after that process has been gone through. It will not be until the report is final that I will see a copy.

The reason I have kept myself out of that process is I established a community advisory panel to ensure that we had robust structures around this process, and I did it not think it was appropriate for the minister to interfere in the preparation of this report. So I am happy to talk about things, but I can indicate to that committee that I have not seen that draft report.

**CHAIR** - I think in the interests of what the minister has just said, if there are some overarching questions not specific to that report, Mr Farrell, that would be appropriate.

**Mr FARRELL** - I have been keeping pace with it and having an interest in railways generally, particularly the opportunity that this will present to Hobart and the northern suburbs. Basically, I would love to see this project happen in the near future. I just want to ensure that, when it is considered - I know, as you have just stated, there are still some areas we need to work on - as a member of Parliament here, I would love to be involved in any future development of this.

**CHAIR** - So the question is?

**Mr FARRELL** - The question is -

**CHAIR** - Is he going to invite you to be part of the committee? Is that the question?

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**Mr FARRELL** - Yes, I am getting to the question. Sorry, Madam Chair, I get a bit carried away on the railway tracks. But the question is: Will this process be more rail focused? At the moment, it seems like it is working around buses rather than the buses working around the rail.

**Mr McKIM** - If I could indicate that the business case that ACIL Tasman Pty Ltd is working on is actually a business case specifically around light rail. If we were to go ahead with light rail at any stage in the future, obviously we would need to consider bus timetables and bus services right from the Hobart CBD and out into the northern suburbs. Certainly, I would expect that, if light rail were proceeded with, the bus timetable and routes would change quite significantly. Obviously, the light rail would provide the major transit opportunity from the Hobart CBD out into the northern suburbs, and buses would then, presumably, be used to get people from the stations out further into the northern suburbs or up the hill, as it were, into other parts of the northern suburbs. The intention of this business case was specifically to look at the business case around light rail, and that is what ACIL Tasman have done.

**Mr FARRELL** - One last question: when the business case is looked at, what will the next step be?

**Mr McKIM** - That will rely in a large part on what the business case actually says. But, certainly, one of our opportunities might be to use the business case as a foundation to make application to the Federal Government for some federal assistance in building light rail. Where light rail has been put in place in some other Australian cities, the Federal Government has played a part and, in some cases, a large part in funding those opportunities. So that is one thing that it is possible that a business case could be used for. Certainly, if we were to go with light rail, we would hope for a favourable response from the Federal Government in terms of a funding request.

**Mr FARRELL** - So when this is tabled, there will be a consultation process through your department with other interested parties for input into it?

**Mr McKIM** - No. The consultation around input into the business case is being handled by the community advisory panel. That has got, for example, a representative from the University of Tasmania, who is a demographer, Dr Stewart Williams, it has representatives from Hobart City Council, Glenorchy City Council and Brighton council. We have a range of other people on the panel. That panel was basically constructed to allow for community input into the development of the business case. Once the business case has been finalised, that is really over to me as the minister and over to the Government to move forward with that project.

**Mr FARRELL** - Will any future development be based solely on that business case?

**Mr McKIM** - Of a light rail?

**Mr FARRELL** - Yes.

**Mr McKIM** - I would expect that to be the case. You cannot make reasonable application to the Federal Government without a robust business case. That is the sort of baseline information that the Federal Government or its representative bodies, such as Infrastructure Australia, would require. This will provide us with the foundation to move forward with the caveat that I am not yet in a position to comment on that final stage 3, because it is not yet final.

**CHAIR** - Thank you. Mrs Taylor.



**Mrs TAYLOR** - Thank you. I agree with you entirely, minister, about pre-empting what that might say. But there are a couple of generic questions, I suppose, that I can ask.

**Mr McKIM** - Sure.

**Mrs TAYLOR** - The \$80,000 allocated in 2011-12 for the light rail business case, is that carried forward?

**Mr McKIM** - It is carried forward, yes.

**Mrs TAYLOR** - And there are no forward estimates for implementation as a result? There is nothing after that?

**Mr McKIM** - Yes, that is correct. The reason for that is that we need to have a look at what the business case actually says. I talked about needing a business case to make application to the Federal Government or to Infrastructure Australia around light rail. It has been made very clear to me that there would be a similar expectation from the Treasurer in Tasmania that, before we do consider moving forward with light rail, we would need to have a look at the business case so that the Government could understand the costs and the benefits of a light rail to the Hobart CBD. I will just ask Mr McIlfratrick to add to that.

[2.15 p.m.]

**Mr McILFATRICK** - You would be aware that the Federal Government operates on a five-year capital program. That is not fully drawn down until 2013-14. Really, this feasibility study gives us the opportunity to engage early on probably what would be the 2014-19 MOU. That usually happens in a couple of stages. They may see some advantage in this which is not really about fully committing, like they have done with the Bagdad Bypass, say, where they have said, 'Here's some planning money. Go and do some more work.' As they have done with the Tasman Highway also. Our opportunity will be to engage with the feasibility study that meets with their requirements or not, depending on how it comes out.

Equally, they would have at least an assumption that the State Government was going to put some money in, so we would need to go with both the feasibility study and the State commitment, which I guess would take the next six to 12 months to develop, once the feasibility study was in place.

**Mrs TAYLOR** - Yes. I am just concerned a bit, Minister, that there is no money. If the total \$80 000 is for the business plan, then, if it comes out favourably, we then need to work up a case. That is going to take some resources.

**Mr McKIM** - It will, Mrs Taylor, but what I can indicate to you is that there are mechanisms within government to secure funding in between budgets, if you like. Once we see the final version of the business case, we will be in a position to decide how to move forward around that funding, if we are able.

**Mrs TAYLOR** - Thank you. The other thing is that the money that is in this current year's budget and next year's budget was \$250 000 to do the business case. Now, it was a business case from Hobart to Brighton, as I recall.

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**Mr McKIM** - Yes.

**Mrs TAYLOR** - As you are well aware - and everybody is well aware -it has been shortened from Hobart to Claremont.

**Mr McKIM** - Yes.

**Mrs TAYLOR** - Does that mean that we have some savings? I would imagine that the engineering stuff, for instance, that has to be done from Hobart to Claremont is not as much - it is only half.

**Mr McKIM** - My advice is that there may be a small saving, perhaps up to \$20 000. But that is an indicative figure only. So there may be some savings there. If there are, we could certainly have a look at making the nest egg, if you like, for anything that we might do in the future.

**Mrs TAYLOR** - Thank you very much. You have spoken about Park and Ride facilities.

**Mr McKIM** - Yes.

**Mrs TAYLOR** - That is not to do with it light rail, but some of those will be, obviously, in that corridor.

**Mr McKIM** - Yes.

**Mrs TAYLOR** - How many Park and Ride facilities have you planned, where are they located, and at what cost?

**Mr McKIM** - We have one currently operating which is at Denison Street in Kingston. That is a car park where there have been a few issues with council around a DA for a bus stop, a level crossing and a bicycle storage facility. Far be it from me to sit here and criticise local government for the time it takes to process DAs, Mrs Taylor, so I will not do that.

**Mrs TAYLOR** - I would suggest it is pretty unstable ground.

**Mr McKIM** - I did not just to that; I want to be clear about that. However, it is fair to say that that has been a slower process than we would have liked, but we are working through that with the council. We have also learned some valuable lessons. This was the first Park and Ride facility that we have rolled out. That has got at the moment five extra Metro bus services in peak times during the morning and during the afternoon. My advice -I do not have it with me, because Metro is a GBE and not part of the department - is that it has increased patronage reasonably significantly. It has not just spread existing patronage out over more services; it has actually resulted in an increase in patronage.

We are also going through quite a robust process around identifying potential sites for further Park and Ride developments in both Hobart and Launceston, which is why I was disappointed that the Liberals have withdrawn all of that funding in their alternative budget. No new Park and Rides under the Liberal Party.

**CHAIR** - Move on.

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**Mr McKIM** - Just so everybody knows.

**Mrs TAYLOR** -The question was: how many.

**Mr McKIM** - I beg your pardon?

**Mrs TAYLOR** - The question was: how many?

**Mr McKIM** - As I said, we have got the one up and running at the moment. We have identified two further sites in the Greater Hobart area, and we are currently working with the relevant local governments and landowners - in both cases, interestingly, the Department of Education and Skills, which I currently have portfolio responsibility for. We would expect to see some reasonably significant progress over implementing those two sites in particular in the coming 12 months. Also, we have identified a number of other sites that we believe have potential. We are working through the process around those sites to progress those as well.

**Mrs TAYLOR** - What sort of cost are you looking at for this year?

**Mr McKIM** - The Park and Ride has received funding of \$650 000 per annum. Under normal circumstances, whatever we do not expend in any year can be rolled forward. So this is something that will start off a little bit more slowly in terms of expenditure, because we have just got the one up and running at the moment. Once we have identified and worked on the other relevant sites that I mentioned earlier, I would expect that per annum expenditure to increase accordingly.

**Mrs TAYLOR** - Thank you.

**CHAIR** -Mr Dean has one in relation to Park and Ride.

**Mr DEAN** - And the minister can answer it without even me asking the question, because I want to know, and the Launceston City Council wants to know, why their Park and Ride, which was the first one up and running in this state does not meet the criteria, because it does meet the criteria.

**Mr McKIM** - It is not a Park and Ride.

**Mr DEAN** - Well, it is Park and Ride.

**Mr McKIM** - No, it is not.

**Mr DEAN** - It is.

**Mr McKIM** - I will explain to you -

**Mr DEAN** - You explain to me why it is not.

**Mr McKIM** - I really look forward to the opportunity to explain to you why this is, under no circumstances, a Park and Ride.

**Mr DEAN** - We will change it so it is.

**Mr McKIM** - Well, to change it, you would need to move its location. That is what you would need to do.

**Mr DEAN** - Yes, that has been talked about.

**Mr McKIM** - Let us be really clear about what Park and Ride is about. Park and ride, our program, is about trying to reduce the number of cars, mostly single occupancy vehicle movements, along the major arterial routes into cities. The Tiger Bus, which is the program you are referring to, is primarily a means of addressing central Launceston's parking needs. To go to the site where the Tiger Bus departs from, you actually need to drive to as close as one kilometre from the CBD in Launceston. So it actually does not qualify in our view as a Park and Ride, because it does not solve the main problem that we are trying to solve with our Park and Ride program - that is, to get cars off the major arterial routes, reduce traffic congestion, reduce emissions and deliver better passenger transport outcomes.

**Mr DEAN** - So if we have a Park and Ride operating from Rocherlea, that will suffice? We have talked about it.

**Mr McKIM** - In terms of identifying potential Park and Ride sites, we have included Greater Launceston. I will just see if I can give you some updates.

**Mr PETERS** - We are planning to do the Greater Launceston metropolitan transport plan, which will look at future development of transport options in the Greater Launceston area. Part of that will be Park and Ride.

**Mr McKIM** - So as part of the money that the Liberals cancelled out of their alternative budget, the passenger transport -

**Mr DEAN** - I think you said that before, Minister, did you not?

**Mr McKIM** - I am making the point that, as part of that fund, we are going to fund the Greater Launceston passenger transport plan. Of course, the Liberals would not be able to do that.

**Mr DEAN** - What stage is it at?

**Mr McKIM** - That is in the early stages at the moment.

**Mr DEAN** - Has been there consultation with council on this?

**Mr McKIM** - Council would certainly be very much consulted as part of that. That is in the early stages. So there is \$200 000 that I have authorised to be expended from the passenger transport innovation fund to develop the Greater Launceston metropolitan passenger transport plan. Detailed scoping work on that project is currently underway. It is being done in very close consultation with Launceston City Council. We anticipate that concerted work on the plan will begin early next year in order to align with the commencement of the closely related northern integrated transport plan review.

**Mr McILFATRICK** - We recognise Launceston City Council is also doing some work on their retail movement strategy.

**Mr DEAN** - They certainly are.

**Mr McILFATRICK** - We think that will contribute to the knowledge as well. So we have allocated \$10 000 this last financial year to that project, because the information gathered during that project will help our long-term planning. So that fund has already been allocated to the council to help it get a picture about what the retail movements are within the Greater Launceston area. Again, that will relate to passenger transport as well. We have started that project in anticipation of the larger project taking off in the next financial year.

**Mr DEAN** - Thank you.

**CHAIR** - Moving right along, Mr Finch.

**Mr FINCH** - Minister, I think I heard you talking before about oil and the availability of it and the increasing cost. I am just reading here that the IMF predicts a 60 per cent oil price increase within a year. I am just wondering you and your department have had discussions about peak oil and the impacts that that is likely to have?

**Mr McKIM** - It has been a fair bit more than a discussion about peak oil. Oil price shocks are something that I am very concerned about. Tasmania, in broad terms, as quite a dispersed population in terms of our pattern of settlement. Also, our economy is characterised by long supply and distribution chains in and out of Tasmania. In my view, that leaves us at least potentially very vulnerable to oil price shocks and to the phenomenon of peak oil. On that basis, I was successful in obtaining a budget allocation of \$250 000 in last year's budget, the 2010-11 budget, which we have invested into work on the Tasmanian oil price vulnerability study, which is now well underway. In fact, it will be completed later this year.

This study has been very consultative. I wrote to about 170 different organisations, stakeholders and individuals, in February this year to seek expressions of interest to become involved. We have had two rounds of workshops in May and June of this year. We have also had some work done by one of the universities - I cannot remember which. There is a university which has helped us with some academic work. All of this information is on DIER's website. I believe this study, once complete, will provide us with an understanding of some of the challenges that our economy will face as a result of peak oil, or oil price shocks, and also provide us with some suggested strategies to deal with some of those challenges.

I welcome your question, very much, Mr Finch. I share your interest in this matter, and it is something that governments, in my view, around the world should be doing a lot more to get ready for. I am pleased to say that the State Government is moving in this area and doing some very detailed work to inform future public policy decision-making.

**Mr FINCH** - Did you say you have contacted 170 organisations?

**Mr McKIM** - Yes.

**Mr FINCH** - What sort of response did you get? Was it head in the sand?

**Mr McKIM** - No, no, no. I do not have the numbers of how many actually took up the opportunity. As I said, there were two workshops, and I can inform the Committee that I

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addressed both of them briefly, just to welcome them and thank them for coming along and participating. There was quite a reasonable show up. I will not make a guess of numbers, but there was a significant response to both of those workshops from many of the peak groups in Tasmania, right through to a number of environment groups that are interested in this issue. It was not just by any means environmentalists or environment groups who were represented; there were some very heavy hitting and serious players represented at the workshops, because there are a lot of people and organisations who are very interested in how the Government might show some leadership in responding to this challenge.

[2.30 p.m.]

**Mrs TAYLOR** - My question was actually related also to the vulnerability of the Tasmanian economy to the study that you are having done. My question is: when do you expect to have that report?

**Mr McKIM** - My current advice is that it will be completed in the second half of this year. So I would expect it obviously before Christmas.

**Mrs TAYLOR** - Thank you.

**Mr DEAN** - You talked about the trials in relation to bus routes or transport in the south of the State. Are we looking at George Town at all?

**Mr McKIM** - I am not aware of any for George Town. On my advice, no, we are not. If I could just, Mr Dean, talk you through the process. What we were looking for were bus operators who engaged in a consultation process with their local community to identify perpetual holes, if you like, either in terms of time or routes, in their areas. Then the company would engage in discussions with Mr Peters, who is the transport commissioner, and we would work on the arrangements to support those trials.

To the best of my knowledge, there are none in George Town. Here are the ones that we have funded 12-month trials for new or expanded services: Port Arthur to Hobart, Swansea to Hobart, Huon Valley to Hobart, Campania to Hobart, Maydena, Lachlan and Ouse to New Norfolk, Beauty Point to Launceston, Cressy to Launceston, St Helens to Launceston, Evandale to Launceston, West Coast to Launceston, Ulverstone to Devonport, New Norfolk to Hobart, Bridport to Launceston and Port Sorell to Devonport. So you can see that this is very much about connecting regional communities. In terms of George Town, I will just take a quick bit of advice on that.

**Mr DEAN** - Yes, why is it left out? It has a much higher population than all of them.

**Mr McKIM** - There is no proposal currently on the table on my advice for George Town. But if I could indicate to you, Mr Dean, that we very much rely on the operator to identify potential areas of unmet need and come to us with a proposal. That was the agreed way that we would do this. This comes out of the core passenger transport review that was done. This is very supported by the Tasmanian bus association and most of its member organisations. Certainly, if the operator - which I understand is Redline - to and from George Town would like to come to us with a proposal, we would certainly be prepared to have a look at that.

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**Mr FARRELL** - A supplementary on that one. I notice you said Port Sorell to Devonport. I was talking to the bus operator from there. He thinks it is a terrific opportunity. He thanks the Government for that. But, their service started on 1 November.

**Mr McKIM** - Yes.

**Mr FARRELL** - Because it takes a while to get these things into train and into place.

**Mr McKIM** - Yes, it does.

**Mr FARRELL** - By the time you communicate that to the wider public, he says the uptake since February has been marked, and he just hopes that, even though it is a 12-month trial, that the 12-month trial actually goes from 1 November to 1 November next year, and not 30 June. That is the worry.

**Mr McKIM** - Yes, I understand the issue here. Firstly, in recognition of what you are saying, the whole idea about this is the Government, if you like, taking on all of the financial risk for these new services in the knowledge that it takes some time for word of mouth and had knowledge of these new services to spread around the community. This is about helping the bus operators build the awareness of the new service.

In relation to that service or, in fact, any other service, they are a 12-month trial. If it has not quite made it to sustainability but it looks like it might with a bit more assistance, we are very prepared on a case-by-case basis to look at extending that 12 months out for another period of time, depending on a case-by-case basis how the service appears to be going. We do want to give these services every opportunity to work and to become permanent features. That is the whole idea.

But if I could say - it is really good to have so many local government members here - ultimately -

**CHAIR** - Hurry up, they might not all be members shortly.

**Mr McKIM** - Ultimately, this is a use it or lose it service. The Government is not in a position to fund these services indefinitely. We have taken the financial start-up risk, if you like, and I have recently written to a number of local governments to urge them to do everything they can to publicise their services. I think I am okay to say this, Madam Chair - it is a question of getting bums on seats in those buses and making sure that the biggest number of people use these services. That is the way that communities can support them and, therefore, do their bit to help deliver better bus services into regional Tasmania.

**Mr FINCH** - Minister, I just wanted to talk about the new buses that they have got, the new articulated buses.

**Mr McKIM** - The Metro buses?

**Mr FINCH** - Yes. I am just interested that I think we used to build buses out Glenorchy way.

**Mr McKIM** - No, down in Kingston.

**Mr FINCH** - Why would we go to Adelaide to have them built and not develop the industry more here, if we are in need of new buses. I think these are the first new buses in about 20 years.

**Mr McKIM** - A couple of things, and I am very happy to answer that question, Madam Chair.

**CHAIR** - Sustainable transport?

**Mr McKIM** - Yes, but Metro is a GBE, and it is examined in GBE estimates later in the year. Having said that, I am here to help. I am the Government; I am here to help. What I can say to you is that these are the first new articulated buses Metro has bought for 20 years, but they are nowhere near the first buses Metro has bought for 20 years. In fact, we took delivery of four new non-articulated buses earlier this year for Metro.

To the best of my knowledge, the bus manufacturing facility down in the industrial area at Kingston does not operate anymore. So we are required to bring those buses in from the north island.

**Mr FARRELL** - I think that was part of the original supply contract, when they built those.

**Mr McKIM** - It may have been, Mr Farrell, yes. I am not certain about that.

**CHAIR** - Thank you, we will move on now to transport innovation.

### **1.8 Passenger transport innovation**

**Mrs TAYLOR** - Thank you. Minister, is the expenditure actually \$4.65 million or \$4.7 million. There are two different figures? It is only \$50 000, which is not much if you say it quickly.

**Mr McKIM** - \$4.65 million.

**Mrs TAYLOR** - Good. Can you tell me how much has been carried forward? I see that it says that some is carried forward.

**Mr McKIM** - Yes, \$1.65 million.

**Mrs TAYLOR** - So instead of \$3.5 million, we have actually spent \$1.65 million less?

**Mr McKIM** - Yes, that is right.

**Mrs TAYLOR** - And that has been carried forward.

**Mr McKIM** - Yes, that is right. If I could indicate, Mrs Taylor, that when I became minister and obtained this new funding for passenger transport, it did take a little while, I think it is fair to say, to generate some momentum around passenger transport. That is in terms of human resources in the passenger transport branch. But I am pleased to say that I believe we now do have that momentum. In any event, I have no doubt that if we have not been able to expend all of these funds in 2011-12, we will, again, be given permission to carry it forward.



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**Mrs TAYLOR** - So it is actually \$1.65 million of last year's money, plus \$3 million of new money?

**Mr McKIM** - That is correct.

**Mrs TAYLOR** - So can you tell me what initiatives were completed or not completed?

**Mr McKIM** - I can, indeed.

**CHAIR** - It is an extensive list, Minister, so you might like to table that document, if the member is agreeable to that.

**Mr McKIM** - I will tell you what, I will just quickly run through it. I reckon it will take me less than 30 seconds.

**CHAIR** -Good.

**Mr McKIM** - We have put in place a number of programs. We are going to pilot a workplace travel behaviour change program that will target State Government employees. This is something that has been done with great success in places like the United Kingdom, where you basically go in and intensively work with government employees in this case to encourage them to change their travel behaviour. That has been very successful. We have got the improved bus services on urban fringe and regional routes that we have just mentioned earlier. We are also targeting improvement in off-bus infrastructure, which is mainly bus stops and associated infrastructure. This is being pursued in partnership with councils.

We have got the Wi-Fi trial that we mentioned earlier in relation to Mr O'Driscoll, but we will also have included Redline and Tassielink in that Wi-Fi trial. We have appointed an active transport officer to work with stakeholders in identifying and developing active transport networks for walking and cycling. That is \$125 000 allocated in 2010-11, and we have also developed a cycling for active transport local infrastructure development fund. Some \$75 000 has been allocated in 2010-11. We are also working on programs to identify and plan around integrated transit corridors for key urban public transport routes, including transit priority measures, which would include bus lanes, and the establishment of the Greater Launceston metropolitan transport plan that I mentioned earlier. Finally, we are developing an urban travel demand model so that we can better forecast the impact of passenger transport proposals.

**Mrs TAYLOR** - Thank you. We actually have a list of all of those. I was really asking about last year.

**Mr McKIM** - The expenditure from last year -

**Mrs TAYLOR** - What did you actually complete and not complete.

**Mr McKIM** - The urban travel demand model, we expended \$75 000. I also allocated \$35 000 to Metro for them to do a carbon study so they could understand their greenhouse footprint as an organisation. Travel behaviour change was allocated \$25 000 in 2010-11. Transit corridor planning, just \$15 000 expended in 2010-11 and planning to spend about \$400 000 on that next year.

**Mrs TAYLOR** - Good.

**Mr McKIM** - That is in 2011-12. Greater Launceston metropolitan transport plan expended just \$5 000 in 2010-11, with the rest of the \$200 000 to be expended in 2011-12. Service development plan funding expended \$685 000 in 2010-11. We are budgeting on \$1 million in 2011-12 and \$315 000 in 2012-13 at this stage. Those numbers might change depending on how operators go. We have got the Wi-Fi in buses at \$40 000 in 2010-11. Off-bus infrastructure upgrades was \$105 000, and the urban cycling and pedestrian network was \$65 000.

**Mr McILFATRICK** - Out of all of those, off-bus infrastructure, the shelters, et cetera, is the one we expect to take off in a big way this year. It was about \$100 000 last year, and it is about \$1 million this year.

**Mr McKIM** - That has been done -

**Mrs TAYLOR** - Why is that a government responsibility rather than a Metro one?

**Mr McKIM** - Because it is actually mostly in urban fringe and non-urban areas. In fact, the first council that we have signed a partnership with is Huon Valley council, which we announced down in the valley a couple of weeks ago on a bitterly cold, driving rain, Huon Valley day. But we are also working with a number of other local governments to engage with partnerships. That is about improving bus stops, making them more weatherproof, but, importantly, also to make them DVO compliant, disability discrimination act compliant, and that is a big challenge for us.

**Mrs TAYLOR** - So, really, last year's program and this year's program are together?

**Mr McKIM** - Yes, they are.

**CHAIR** - Thank you. Before we move out of this area, Dr Goodwin.

**Dr GOODWIN** - Can I just ask a supplementary to this, Chair?

**CHAIR** - Yes.

**Dr GOODWIN** - That's fantastic, and all those initiatives are great, but there is nothing after this year.

**Mr McKIM** - We will probably end up carrying some forward if we have not expended it all in this year. But, yes, technically, you are right, and that will be a job for me to do as minister in my budget negotiations with the Treasurer next time around. Obviously it has been a budget where it has been difficult to find new money in the budget released a couple of weeks ago by the Treasurer, given the very difficult fiscal circumstances in which the budget was framed. However -

**CHAIR** - Treasurer's discretionary fund, minister. Thank you, Dr Goodwin.

**Dr GOODWIN** - Thank you, Madam Chair. I just have a question in relation to the bus stop infrastructure and shelters and things of that nature. How does that process work? You

mentioned the partnership with local government. So, say, local communities want more bus shelters. How do they get that happening?

[2.45 p.m.]

**Mr McKIM** - I will just take some quick advice on that in terms of how that might be able to be assisted, if that is the case.

**Mr PETERS** - It has been a two-way process. We have consulted with councils and did some initial work on where the most heavily-used non-urban bus stops were, and spoke to councils in those municipalities about their aspirations and jointly we have worked up what the community is best looking for. Sometimes it's a better-developed stop, particularly for DDA-compliant reasons in the major urban area, or it could be more localised stops at junctions of roads or whatever where the community believes that's where they need the better bus stop. So it has very much been what the community is looking for.

**Dr GOODWIN** - So what's the process, then, to allocate the money if presumably you've already identified some areas of need?

**Mr PETERS** - It depends on what the site is like as to what the cost of the bus shelter will be. Some of the existing shelters are being refurbished for not a lot of money while others are being built to be DDA-compliant on what are fairly challenging sites.

**Dr GOODWIN** - How is the funding allocated, though? Is the process in train already? There is a list of things to be done and -

**Mr PETERS** - Yes, we went through an identification process with the council.

## **Output group 6 Transport subsidies and concessions**

### **6.4 Metropolitan general access regular passenger transport services -**

**Mr GAFFNEY** - It was good to see that you are extending that because in a lot of the smaller rural communities between November and February is when most of the college students are not travelling so much, and come February there are a lot more.

**Mr McKIM** - I appreciate that.

**Mr GAFFNEY** - Just two questions here. The allocation of funding to the area is increasing by a figure of \$1.715 million, which is significant, from a budget of \$34.859 million to \$36.574 million in 2011-12. Based on the forward Estimates and the increase of approximately \$1.1 million per annum for the remaining three years, it means that for 2011-12 there is about \$600 000 more budgeted for this line item. The annotation indicates that movement in the output relates to the impact of the output restructure which occurred in 2010-11 and I am wondering whether you could elaborate on that restructure and why the extra increase is for this coming year and not the three after that.

**Mr McKIM** - I will ask Mr Peters; I see he has a flow-chart here, which is always good.

## UNCORRECTED PROOF ISSUE

**Mr PETERS** - There used to be an item in the budget called 'school bus operators route services' which covered a whole different range of ways we deliver services, including some metropolitan services. In the restructure everything other than student-only urban fringe services has been taken out of that budget; they have their own line item now. Things like the Metro service that travels from Bothwell went into the non-metropolitan general access and there was a range of services that went into the metropolitan including the Manion service from Legana into Launceston. That was previously a route service and now it is correctly named a metropolitan general access service. Kingston-Blackmans Bay was another one. There's been a restructure where the metropolitan ones in what was called the route services have been put into this item called metropolitan general access, and the non-metropolitan ones that weren't student bus services have been put into non-metropolitan general access.

**Mr GAFFNEY** - Okay. So the \$600 000 needed for this financial year, 2011-12, which is more than the next three after that, is because of what?

**Mrs TAYLOR** - Why do you need \$600 000 less in future years?

**Mr McILFATRICK** - I think these are very difficult numbers to project in the long term because effectively if someone turns up for a bus and they're entitled to a concession or a top-up payment for the bus, we pay it. The factors that really influence year to year are more things like fuel prices et cetera because basically we carry a significant amount of the fuel price risk for the bus operator. The first year was an adjustment between those services and from then on it's really our estimate of what we think might happen in out years, so it's not as if we've added \$1 million this year and then trimmed it back. For instance, in this financial year we came under budget on that figure mainly because the fuel price didn't escalate at the rate we thought it would in the earlier part of the year. It's very rare that this number comes out precisely on budget; it's basically a pass-through that Treasury accepts that if we get the modelling right within a few per cent we're probably doing well, but it's no reflection that we've made a change of policy other than we're trying to get it as close as we possibly can.

**Mr GAFFNEY** - It is indicated in the 2011-12 Budget that the output includes a figure of \$3.3 million - this is on page 6.25 - outside the contract for service delivery to aid the company to pursue a range of priorities including improvement to off-bus infrastructure and major corridors and secondly, undertaking research and marketing initiatives. This same figure of \$3.3 million was in last year's Budget but it had another line item there or priority, as well as the purchase of new low-emission accessible buses. Can you explain why this is seemingly no longer part of the priorities for this line item and have the priorities grown or have you just not included that dot point?

**Mr McKIM** - I am not sure why there is that discrepancy between last year and this year's Budget. Certainly buying new buses is still a priority for Metro, as the eight buses that Metro has currently bought in the current calendar year demonstrate. But really, Mr Gaffney, I am unable to help you any further with the details simply because Metro is a GBE and their estimates will be examined later in the year.

**Mr GAFFNEY** - Could you come back to me with some more information because that has dropped off as a line item. They were a GBE last year and it was there; it's not there this year and there's the same amount of funding.

## UNCORRECTED PROOF ISSUE

**Mr McKIM** - I will seek that information from Metro or from wherever I can get it, so in effect I'll take that question on notice, Madam Chair. As Mr McIlfattrick has pointed out, the funding itself hasn't changed, it's the words around the funding.

**Mr GAFFNEY** - This year it looks as though those two dot points have now taken up the \$3.3 million where last year you had three sections. It just needs to be clarified.

**Mr McKIM** - I'm happy to clarify that for you.

**CHAIR** - In relation to 6.4, Minister, does that increase include any potential increase of student travel in metropolitan areas?

**Mr McKIM** - My assumption is that it would, and as Mr McIlfattrick said, basically the increase in the numbers, particularly in 6.5, rural and special needs school bus services, obviously does relate specifically to students and, in simple terms, the increase in that number means we will be expecting an increase in demand for those services.

**CHAIR** - Particularly in the Sandy Bay area?

*Laughter.*

**Mr McKIM** - I'm not so sure whether that will be the case. I think I know where this is going but we are projecting an increase in those numbers which is an increase in patronage. As Minister for Sustainable Transport one of the KPIs I set myself is to increase patronage on passenger transport in Tasmania and to date we have been quite successful in doing that, due in part, I must say, to a lot of good work that was done before I was minister and by other people, not just me, since I have been minister.

**Mrs TAYLOR** - My question relates to that last point as well. What patronage increase do you expect to get from the expenditure and are you evaluating and collecting numbers?

**Mr McKIM** - It's more that the increase in the dollars flows from an increase in the patronage rather than the increase in the patronage flowing from the increase in the dollars. So simply put, if more people use our bus services, these numbers in terms of dollars will go up.

**Mrs TAYLOR** - In 2009 you had a Pitt and Sherry northern suburbs to Hobart port bus rapid transit strategic estimate report done. I asked a question in the Council just recently because you have also given Metro \$29 000 I think to produce what sounds like a similar report.

**Mr McKIM** - No, I haven't given Metro any such number. They have made a decision themselves to proceed with that study.

**Mrs TAYLOR** - Correct; I'm sorry, they have.

**Mr McKIM** - That was funded internally by Metro on the basis of a decision I presume was made by the board of Metro and they are well entitled to do that. They are a GBE and have decided to expend that money. I do not have the information with me now.

**Mrs TAYLOR** - You're right, they did. My question is really about whether you gave them the 2009 report?

**Mr McILFATRICK** - That would have been made available to them. My knowledge is that they wanted to do more than was in that report but they won't be starting from scratch; they'll use the Pitt and Sherry report as a base.

#### **6.5 Rural and special needs school bus services -**

**CHAIR** - With an increase of just under \$1 million in this area, will that cover any potential school closures where children need to travel on school buses?

**Mr McKIM** - I am not aware that any potential school closures have been factored into these numbers - in fact, they haven't, and that's because there have been no decisions made to close any schools in Tasmania.

**CHAIR** - So how would this particular area come in on budget should that occur?

**Mr McKIM** - These numbers are evaluated from time to time under a range of different scenarios because, notwithstanding whether any schools close or not, there are always changes to enrolment patterns, new schools are being built. We have just opened the new Kingston High School, for example, which has obviously required us to change the way we transport -

**CHAIR** - Would that come under rural? We're talking rural.

**Mr McKIM** - I think a lot of rural students would attend the new Kingston High School. We're currently building a new school at Port Sorell, as you would know -

**CHAIR** - I think it'll be a while before the kids will be on the bus there, Minister.

**Mr McKIM** - That's right, but the point I'm making to you, Chair, is that every year there are changes to demand for school bus services and every year the department works through a process to make any changes that are required to get Tasmanian students to school. I am also aware that Mr Peters has a small working group with Andrew Finch, the deputy secretary of the Department of Education, so if there is a decision made to close any schools we can act on those decisions in the context of student transport in a really timely way.

**CHAIR** - I want to get this really clear: there is no allocated additional funds in this Budget for any additional students to travel to school.

**Mr McKIM** - As I explained, these numbers flow from the passenger numbers rather than the other way round, but if there is a decision made to close any schools I am completely confident that we can address the student transport requirements.

**CHAIR** - I'm just interested because I'm very aware of the Premier and Treasurer in her speech saying that everyone will live within their budget this year. Mr Finch, have I stolen your thunder?

**Mr FINCH** - I wanted to segue into Education, actually, and you stole the question.

#### **6.6 Non-metropolitan general access regular passenger transport services -**

## UNCORRECTED PROOF ISSUE

**Mr DEAN** - As I understand it, this relates to the private bus operators operating into and from metropolitan areas - am I right in that regard?

**Mr McILFATRICK** - Outside.

**Mr DEAN** - Well, it doesn't say outside, it says it includes services to, from and between metropolitan areas.

**Mr McKIM** - This item covers payments to contracted providers of public bus services operating to, from or between the metropolitan areas of Hobart, Launceston, Devonport and Burnie.

**Mr DEAN** - The Launceston one is a Redline from George Town to Launceston, so that fits into that category. So that is subsidised by the Government but in that instance, does Redline the fee or is that controlled by a government position in the setting of the fare?

**Mr PETERS** - They are statewide fares. People travelling the same sort of distance on a non-metropolitan bus pay the same fare.

**Mr DEAN** - So that is set.

**Mr PETERS** - It's a set fare.

**Mr DEAN** - I want to go to table 6.19 on page 6.33 which refers to 'pensioner, aged and unemployed concessions on private operators'. Does that fit into that category because, if it does, you have \$1.155 million in the current financial year but from then on there is no funding there at all for any of those concessions?

**Mr McKIM** - That is the restructured output that we were speaking about earlier.

**Mr DEAN** - So that is the one that goes into?

**Mr PETERS** - Some goes into non-metropolitan and some flows into metropolitan. Instead of putting the pensioner concessions to one side and then trying to work out which bus services they went to, they go into funding for that bus service as part of the total position.

**Mr DEAN** - That covers that. That is all I had on this one.

**CHAIR** - Are all buses compliant? There has been a program in place particularly for school buses that they are to be no more than 14 years old; is that correct? Are all our buses compliant with the policy?

**Mr McKIM** - No, I am not sure that we require that, but I can say that the average age of the school bus fleet has gone down significantly, as has the average age of the Tasmanian bus fleet as a whole.

**CHAIR** - Are we on target?

## UNCORRECTED PROOF ISSUE

**Mr PETERS** - In their contract they do not get a capital payment for their bus if it is not within the age range specified in the contract, and my understanding is that about 89 per cent are within range and are getting paid a capital payment.

**CHAIR** - What happens to the other 11 per cent that is left over? Where are they going?

**Mr PETERS** - I would say most of them are in the stage of getting a new bus. It is to their advantage to have a bus and get paid the capital for it than to continue with an old bus and not get the money.

**Mr McILFATRICK** - I think in the first 18 months of the program we reduced the average age of the fleet by five or six years.

**Mr McKIM** - It is still coming down.

**CHAIR** - I think they were referred to in our House last week as 'old clunkers'.

**Mr McKIM** - Whether they are clunkers or not, they are nowhere near as old as they used to be.

**Mr DEAN** - Just for information, are these metropolitan buses wheelchair-accessible, say Redline travelling from George Town to Launceston?

**Mr McKIM** - They should be. New buses that are bought need to be DDA-compliant.

**Mr DEAN** - I do not know if it is a new one on that run or not. I would need to check.

**Mr McILFATRICK** - Again with compliance issues like that we try to attack it over a long period. We are on a path to get all of our buses DDA-compliant, and the biggest opportunity is when you have a new bus. Our requirement under the contract is that, if you purchase a new bus, it must be DDA compliant.

**Mr McKIM** - If I could indicate that there is a stepped implementation of the DDA, the Disability Discrimination Act. When the act came in, it did not expect every bus operator in the country to snap their fingers and move to 100 per cent disability access buses. They had a stepped implementation, and I believe that we are making good progress in that area.

**Mrs TAYLOR** - I am really supportive of this provision of non-metropolitan general access services, but do you require any evaluation or efficiencies in service delivery information? O'Driscoll's have already been talked about, and the service they provide is fantastic. It is great for New Norfolk. However, they run buses from New Norfolk to Hobart almost in total sync with Metro buses. When you get to Granton, two minutes after the open school bus goes into Hobart a Metro service goes into Hobart and you cannot transfer between the two.

**Mr McKIM** - No, I understand that.

**Mrs TAYLOR** - Well you can, you can get off an O'Driscoll bus and get onto a Metro bus but you cannot get off a Metro bus and onto an O'Driscoll bus.



## UNCORRECTED PROOF ISSUE

**Mr McKIM** - I know that O'Driscoll's have been speaking to Metro about this issue. It would be a matter between those two companies if they were to come to an agreement. It is possible that they may be able to come to an agreement that would reduce the need for O'Driscoll's to run right into Hobart, but of course what it would do is require passengers to change buses half way through the trip. There are pros and cons to this.

But we are also at the moment in discussions with Metro about integrated ticketing, which is the possibility that we may be able to include private sector bus operators on a green card-like system and Metro may be able to provide some sort of back of house services to any interested private sector bus operators. Those discussions are in the early stages, but integrated ticketing is something I am interested in progressing, although I have to say the data shows that some but not a lot of people in Tasmania actually swap from Metro to a non-government or private sector operator in the same journey. There are some that do but not many. However, for a range of reasons if we could move towards integrated ticketing I think that would be something else that would make passenger transport a bit more attractive to people, which is what we are trying to do.

**Mrs TAYLOR** - But you are saying that it is up to those two companies to make those kind of decisions. But where we provide subsidies, that is Government money that is being used. O'Driscoll's run about the half the number of services that Metro do. If they only had to go as far as Granton, maybe they could run twice as many services.

**Mr McKIM** - That could be a possible outcome.

**Mrs TAYLOR** - We are talking about efficiencies, aren't we?

**Mr McKIM** - We are. It could be a possible outcome. It would mean that the service frequency that Peter O'Driscoll was able to offer would increase if he was able to come to an arrangement with Metro. But I am aware that they have been discussing this matter for some time and I have not heard of any major problems with it. I guess that could be a 'watch this space' situation where it is possible. For what it is worth, I am not sure whether it is Granton or Springfield where the change would occur, but again that would be a matter for the two operators to decide.

**Mrs TAYLOR** - It just seems silly for two buses to run within two minutes of each other on the same route and neither of them full.

**Mr McKIM** - Yes, but there is the issue I mentioned earlier, Mrs Taylor, which is the passengers having to change bus half way through, most people would prefer to end a trip on the same bus they started it on. Again, these are some of the things we have to balance and weigh up.

**CHAIR** - I get the sense that the minister agrees, Mrs Taylor. Grants and subsidies, Mr Finch.

**Mr FINCH** - Page 6.10 shows fluctuations in grants and subsidies that are partly explained in note 14 which says that the movement reflects output restructure. Can you give us a further explanation for those variations down and then up - just what those major items are? I think you have touched on some in your explanations.

**Mr McKIM** - Do you mean 6.4, 6.5 and 6.6?

## UNCORRECTED PROOF ISSUE

**CHAIR** – No, grants and subsidies.

**Mr FINCH** – No, in table 6.2 on page 6.10 down the bottom you will see grants and subsidies that go from \$33 million down to \$26.5 million and then up again we go. I am wondering if we can get some explanation on those fluctuations - just what the major items are.

**Mr McKIM** - They cover a whole range of things.

**Mr PETERS** - This covers a whole range of things that are not just in the sustainable transport portfolio but in a range of the portfolios that are supported by the Department of Infrastructure, Energy and Resources. They include the contribution to MAST, Marine and Safety Tasmania, the conveyance allowance, the National Transport Commission local government contribution, payments on behalf of the Forest Practices Authority, the pensioner air travel subsidy. In fact, these are listed in table 6.19, grants and subsidies. Some of those are sustainable transport portfolio areas; others such as the Forest Practices Authority or Tasmanian racing assistance do not fall within.

**CHAIR** - What about conveyancing, would that belong to you?

**Mr McKIM** - No, I do not believe that it does.

**Mr PETERS** - The conveyance allowance does. It is people who do not have access to a government funded bus to get to school.

**Mr McKIM** - It is that one.

**CHAIR** - The parents have to take their children so far and then they pick up the bus wherever. Is there any increase in the number of people that have accessed that?

**Mr McKIM** - We have projected a small increase through the out-years for that.

**CHAIR** - Only a small increase, minister?

**Mr McKIM** – Yes, only a small increase.

**CHAIR** - That is good news for the communities of Royal George.

**Mr McKIM** - I am pleased they are happy.

**CHAIR** - They will be when they still have their school.

*Laughter.*

**Mr DEAN** - Very subtle.

**CHAIR** - There being no other questions for the minister in relation to sustainable transport and passenger transport, I would suggest that we have a suspension and we get back to the table at about 21 minutes past ready for a gruelling education session.

**Mr McKIM** - Thank you to DIER officers who have supported us here today.

**CHAIR** - Thank you to the gentlemen at the table.

**The Committee suspended from 3.11 p.m. to 3.21 p.m.**

**DIVISION 2**

(Department Of Education)

**CHAIR** - Minister, I welcome your Education department support team to the table. Minister, will you provide a brief overview?

**Mr McKIM** - I will provide a very brief overview, then I will introduce members of the team supporting me, and then we can get cracking with the questions. Obviously I am a relatively new minister to this portfolio and it is a real privilege to be Tasmania's Minister for Education and Skills, because it is a crucial portfolio, not only in relation to our community but also to the State's economy. This is not only in the medium- to long-term, but also in the short term around skills. Obviously the current circumstances with some of the tough decisions we have had to make are not the circumstances in which I would have chosen to take on this portfolio, but nevertheless, we have had to make some strong decisions to try to renew our education system in Tasmania and provide a better future and good educational outcomes. We are committed to doing that.

My responsibilities range from the early years where we have programs such as Launching into Learning right through to adult education and obviously including schools and post-year 10 institutions and the LINC'S - the Learning and Information Network Centres. Of course we need to make sure that we do the basics well in education and skills and that includes things like improving our early years outcomes and outcomes around literacy, numeracy, retention and qualifications.

It is important to recognise that our budget is a big one - it is about \$1.3 billion worth of expenditure. It is a huge investment by the State Government into our community. Whilst we have to be prudent managers, and we have had to make some strong decisions on potential school closures, which I have no doubt we will talk about today, I really do not want to lose sight of the fact that every day in our education system there are great activities, great outcomes and great achievements from students and the staff who work in our education system and who do need to be recognised and celebrated. I understand that it is difficult to do that at a time when we are talking about things like potential school closures, but nevertheless, there are a great many fantastic achievements in our education system.

**CHAIR** - I don't think you will get any arguments on that from the members here today.

**Mr McKIM** - I will just introduce those who are here to support me. First, on my right is Mr Colin Pettit, who is the Secretary of the Department of Education. This is Colin's first Tasmanian budget Estimates, so we welcome him - please be nice to him!

**Mr DEAN** - Will he be nice to us?

## UNCORRECTED PROOF ISSUE

**Mr McKIM** - He will. Colin is an absolute gentleman. We also have here Jenny Dale. Jenny was the acting Secretary for most of the last financial year. Colin took up his position in February this year and until he did, Jenny did a great job. Jenny has offered to come along to assist the committee if there are matters of detail that occurred in the agency prior to Colin's arrival. To Jenny's right we have Liz Banks, the Deputy Secretary for Early Years and Schools, and to Liz's right we have Malcolm Wells, who is the Deputy Secretary for Post-Year 10. To my left we have Andrew Finch, who is the Deputy Secretary, Corporate Services, and to Andrew's left we have Nick May, who is the Manager, Finance and Resources, who will be able to follow with Andrew the money trails which the committee will no doubt lead us down at some stage.

**Mr DEAN** - A couple of recent appointments?

**Mr McKIM** - Yes - Liz and Malcolm.

**CHAIR** - Can we offer our congratulations to each of you. Having dispensed with all the formalities, I invite Mr Dean to kick off the questions.

**Mr DEAN** - To many people, the same indecent haste appears to be surfacing here with the school closures as there was with Tasmania Tomorrow. That is of concern to a lot of people. Will you be releasing for public scrutiny an impact statement that covers the social and economic cost of closing these schools, the cost of expanding the capacity of receiving schools to cater for the additional student numbers, the cost of providing additional transport services, loss of access to early learning for the zero-4 age group, the loss of parent participation in their child's education due to the distance between home and school, the impact on students' attendance, and an analysis of the impact on the health and wellbeing of students who will no longer be able to walk to school or participate in after-school sports activities.

**Mr McKIM** - I will have to ask you to repeat some of those questions because you were speaking faster than I could take notes. We will try to provide you with as much information as we reasonably can. Firstly I reject any comparison with Tasmania Tomorrow. The issue with Tasmania Tomorrow was that an announcement was made and then a so-called consultation process was engaged.

**CHAIR** - Isn't that the same thing?

**Mr McKIM** - It is not at all the same thing.

**Mr DEAN** - The schools are going to be closed or considered for closure.

**Mr McKIM** - With Tasmania Tomorrow the announcement was the decision. Everyone was told that this was what was going to happen. In this case - and we have been completely upfront about it - I have been advised by the department to consider 20 schools for closure. No decision has been made and no decision will be made until we have gone through a genuine full consultation process with school associations. This will include my meeting face to face with school associations and personally visiting every potentially impacted school. So I completely reject any attempt by anyone here, which I believe is politically motivated, to liken this to the Tasmania Tomorrow process. It is a completely different process.

## UNCORRECTED PROOF ISSUE

In relation to the range of matters you raised, I can respond in general by saying impact statements have already been sent to potentially impacted school communities. That happened the day after budget day.

**CHAIR** - Minister, can you identify whether they covered off education, economic and social impact? Can the committee be provided with a copy of that?

**Mr McKIM** - The situation with this process is that we made a decision very early on to respect school associations through this process. The impact statements contain information that pertains to each school, obviously, and we made the decision that we would send the impact statements to the school associations and then they could decide what to do with them. We didn't think it was our job to send these impact statements to the media or to make them publicly available on the DoE website. We made that decision based on our desire to be respectful of school associations and the really difficult time that school associations are currently having around this issue. I acknowledge that this is a very difficult time for the 20 relevant school associations. If they want to share their impact statements with the media or with other MPs, then of course they can do so, but I do not seek to advise them on that. It is a matter for them.

[3.30 p.m.]

**CHAIR** - I respect that. You are the minister. Do they contain educational, economic and social impacts regarding each school?

**Mr McKIM** - Yes, they do.

**Mr DEAN** - As to the other areas that I referred to, will you provide a statement to cover all of those areas, all the points that were raised?

**Mr McKIM** - You would need to go through them point by point, but I can say, Mr Dean, that the act requires the minister to make available a statement on the likely educational, economic and social impacts, and that is, on my advice, to be provided to the relevant school association. That is what we have done. If you want to go through those matters of detail again, I am happy to seek some advice on them.

**Mr DEAN** - I do not want to waste the committee's time here, but I can identify those areas to you after this hearing tonight to see if they will be covered, because I need an answer to that. Minister, you claimed you did not follow the Tasmania Tomorrow line at all: prior to the announcement in the Budget that a number of schools were earmarked or being considered for closure - 20 schools - had you or your department had consultation with all of those schools?

**Mr McKIM** - My understanding is that the first that those school associations would have known about that was potentially when we attempted to make contact with the chair of all of those 20 associations on budget day. The reason for that is that -

**Mr DEAN** - Yes, but -

**Mr McKIM** - Hang on, it is important that I explain this. The Budget is a secret document, Mr Dean. You know that as well as I do.

**Mr DEAN** - Yes, I do.

**Mr McKIM** - And part of the Budget -

**Mr DEAN** - It is not very secret at times, but anyway it is supposed to be.

**Mr McKIM** - It was a secret document this year. There were no Budget leaks that I know of this year. The Budget is a secret document. It is not for me or any other minister to reveal details of the Budget without direct permission from the Premier and the Treasurer. So what we have done is, I believe, the best we possibly could have done in the circumstances, which was that on budget day a human being in the department made every opportunity available to them to contact directly by phone the chair of the relevant school association before any media coverage of the Budget could have occurred, so that, when those that were able to be contacted heard that their school was on a list of schools for closure that had been provided to me to consider, they heard it from a person, not via a media report. That is the first thing we did.

The second thing we have done is send out the impact statements that we have already spoken about. The third thing we are doing is to support the school associations through what I know is a very difficult time for them, and that will be, again, with human resources from the Department of Education to assist them in preparing their response to the impact statement that I have sent out. Then, of course, as I have indicated, I will be personally meeting with all of the relevant school associations face to face so that they can put their arguments directly to me. This is a genuine consultation process. We will conduct it respectfully to the best of our capacity given the media and political interest in this, and I have not made a single decision to close a single school at this stage.

**Mr DEAN** - I think you just confirmed that prior to budget day none of these schools realised or thought that they were on a list that was being considered.

**Mr McKIM** - I cannot possibly speak for whether they thought or realised anything, but what I can tell you is that the first they would have known about the decisions made in the Budget was when we attempted to contact them, if we were successful in contacting them.

**Mr DEAN** - The next question is the other one that is being pushed around at present - the BER funding. Has that been satisfied at this stage? You are saying, I think, that not one dollar will be repaid to the Australian Government in relation to this. Do you still stand by that position?

**Mr McKIM** - Yes, I do.

**Mr DEAN** - And you have taken legal advice on that?

**Mr McKIM** - Yes. The Solicitor-General has made it very clear that we are not legally obliged to pay back that money.

**Mr DEAN** - What does the legal advice say?

**Mr McKIM** - In broad terms, the Solicitor-General's view is that agreements between State and Federal governments are not legally enforceable.

**Mr DEAN** - My next question has been put to you a number of times already. If you are unable to continue and at the end of the day sell off the 20 schools that have been identified, that

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is programmed into your budget moving forward, into your budget savings within the Department of Education, what fallback position do you have in regard to recouping that money that you say you must save within this department this financial year?

**Mr McKIM** - As I have said previously, if we cannot realise projected savings from renewing our education system program, we will have to find those savings in other areas of the agency. That is how government works. The Premier and Treasurer and require ministers to deliver the agreed level of savings in their agencies and, notwithstanding the fact that I am a very new minister in relation to education, that is my very clear understanding of my responsibility as a minister in whatever portfolios I hold. If I cannot do that, that then becomes a matter between the Premier and me.

**Mr DEAN** - Are all of the teaching staff, all of the monitors, all of the groundspeople, all of the people working in those schools guaranteed continued employment if their school closes at the end of the -

**Mr McKIM** - What I can say to you is that no permanent employee will lose their position and all contracts will be honoured.

**Mr DEAN** - So part-time employees will -

**Mr McKIM** - If they are part-time permanent, they will not lose that position as a result of any decisions made. So no permanent employee, either part-time or full-time, will be terminated as a result of any decisions made and all existing contracts will be honoured.

**Mrs TAYLOR** - That includes cleaners and groundsmen and -

**Mr McKIM** - Yes, it does.

**CHAIR** - Following on from that, Minister, in relation to those positions, if a groundsperson or a cleaner decides that they do not want to travel out of area, if you like, to attend another facility to work, will they be offered redundancies? What sort of cost has been put on that process?

**Mr McKIM** - We will work with them on a case-by-case basis.

**CHAIR** - So there will not be any redundancies offered?

**Mr McKIM** - I do not think I can say that there will not be redundancies offered, but we will work with them on a case-by-case basis.

**CHAIR** - What sort of number are we looking at in relation to those staff?

**Mr McKIM** - Staff at -

**CHAIR** - Not ancillary staff because I think that is inappropriate. They are absolutely vital to a school functioning - so the non-teaching staff. What sort of number would be involved in the 20 schools identified?

**Mr McKIM** - I do not think we have that information available at our fingertips, but we can get it.

**CHAIR** - So there has not been a number done on how many of the non-teaching staff there would be in 20 schools identified on the hit list, if you like?

**Mr McKIM** - I object to that term, quite frankly. I think it is pejorative and disrespectful but, whatever term people want to use to describe the list of schools that I have had recommended to me to consider for closure, the reason why we do not have that information here - and I am happy to get that for the committee; it is not a question of trying to hide anything - is that there has not been a decision made to close a single school in Tasmania.

**CHAIR** - But with all due respect, Minister, if you are looking at making some savings and this has been identified as part of that process, would those numbers not have been crunched by now?

**Mr McKIM** - No, because, as I have explained to you, nobody who is a permanent employee will lose their job, so they are not part of the savings.

**CHAIR** - But not every one of those non-teaching staff, I expect - and even some teaching staff might choose not to travel out of area, if you like.

**Mr McKIM** - But people's circumstances change all the time, and every year there would be people who choose for varying reasons not to remain employed by the Department of Education. We employ an awful lot of staff. We have processes in place to move staff around from place to place, and those processes are in place notwithstanding any potential school closures.

**CHAIR** - I would suggest that people have made those choices themselves more so than in this situation, where it, you could say, may be forced upon them.

**Mr McKIM** - I am not sure what -

**CHAIR** - I mean, they might not want to leave the school they are teaching at but, it may be out of their control; they may have to move. You say people move around, but they may choose to move around normally at their own -

**Mr McKIM** - No, the department moves people around from time to time to make sure we have proper teaching complements at all schools and things like that. That is just a normal part of the department's process. But I am very happy, if it offers you any comfort, to acknowledge that this is a difficult time for many people, including people employed at the schools on the list. I understand that it is a difficult time for them, but as minister I have some overriding imperatives, and one of those is to make sure that we have an education system that offers the best opportunities for the greatest number Tasmanian students possible to receive the broadest possible curriculum education. The simple fact is that at larger schools there is a better capacity to deliver a broad range of curriculum over a period compared to small schools. That is an undisputable fact.

**CHAIR** - But do you agree, minister, that there is more to a child's education than educational outcomes?



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**Mr McKIM** - Yes, I do, and I have spoken about that at length over the last couple of weeks. Of course there is more to a child's education than just educational outcomes, and there is more to a school than just being a place to educate students. I do understand those things, and they are all things that I will be considering as I make my decisions.

**CHAIR** - I am sure you will. We have been talking about staff. Is it a fact that there has been a directive to staff that they are not to speak outside of their school - and this is just reported in one of those newspapers, and I am sure they did not get it wrong.

**Mr McKIM** - I can answer that very quickly.

**CHAIR** - But there has been no directive to staff not to speak to anyone in regard to school closures?

**Mr McKIM** - There has been no such directive issued to staff.

**CHAIR** - So they are free to speak?

**Mr McKIM** - Staff are free to speak. Staff in the Education department are subject to the State Service Act, as is every other public sector worker in Tasmania.

**CHAIR** - So they are free to speak about what they see might be the impact on a child's education or the fabric of a community, but they are not specifically allowed to speak in relation to the department. Would that be fair to say?

**Mr McKIM** - No, I am not sure that I would agree with that categorisation. What I am saying to you is that we have issued no directive to staff to prevent them speaking about this to anyone but that DOE staff, along with all other State servants, are employed under the State Service Act.

**CHAIR** - I have not read the State Service Act, so that is something I might have a mind to do at a later time. But that is no good news.

**Mr McKIM** - Yes, no such directive.

**CHAIR** - Because it is reported today.

**Mr McKIM** - I am not sure which of our esteemed newspapers has reported that, but of course -

**CHAIR** - It is called the *Advocate*.

**Mr McKIM** - Really? I do not make any comment about any specific newspaper -

**CHAIR** - No, but I am.

**Mr McKIM** - But we all know that you can't believe everything that you read in newspapers.

**CHAIR** - These are particular quotes, just the same.

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**Mr McKIM** - Stop the presses, Kerry, do you reckon?

**CHAIR** - Minister, I am mindful that I cannot take all the questions, even if I am in the very privileged position of sitting as Chair, so I will ask my colleagues. Mrs Taylor?

**Mrs TAYLOR** - I would like to step back. I totally agree that there might well be schools in our State where the kids would do better if they went elsewhere, but I do not think that that is what this is about. It is obvious that the department has to achieve savings, and you have just said, I think, that the department will have to live within the budget it has been given this year, which is different from what you said about Corrective Services this morning. You certainly did not say that Corrective Services would have to commit to live within their budget for this year, but that is another matter.

**Mr McKIM** - I will explain that in a minute.

**Mrs TAYLOR** - Yes, good. The department has to live within its budget, so the department has to achieve savings somewhere or other, and I hope that that happens because, as we said this morning, this Budget had to happen, if you like, and we have to make budget savings and we do not want blowouts so that in fact we do not achieve what needs to be achieved. So I am glad to hear that that is so, but what guidelines have you given to the department to achieve savings? Have you given any?

**Mr McKIM** - The way the budget formulation process works, Mrs Taylor - and I should indicate that I came into this process as a minister when it was most of the way through but basically the Treasurer has indicated to all of the government agencies that they are required to achieve a certain level of savings. Agencies then work with their respective ministers to develop savings strategies which are then put to Cabinet via the mechanism of the budget subcommittee of Cabinet and ultimately come to the full Cabinet.

The Department of Education would have worked, I presume - and I don't want to make any firm comments here because I wasn't involved, but if it reflected the way I worked with agencies I was portfolio minister at the time, I worked with them to develop what we thought were the best savings strategies we could develop and then we took those into the budget process.

[3.45 p.m.]

**Mrs TAYLOR** - That's where I have the difficulty, you see, because asking any department to come up itself with savings I think presents a difficulty to that department. Without your giving them some guidelines, like saying for instance, that no frontline troops go or whatever the guidelines might be, it would seem to me very difficult for the people who run and manage a department to say, 'We'll look at streamlining ourselves for a start. Let's do ourselves out of a job before we do frontliners'. Has the Government considered, in this department as well as others, getting some outside party to say, 'Let's look at how you might best restructure so that you can achieve the savings'?

**Mr McKIM** - There are a couple of points I would make in response to that. Firstly, the buck stops with the minister ultimately and with the Government; that's how our political system works. I understand that and ultimately the buck stops with me and the Government for all of the savings strategies in this agency. But again, without commenting on how it worked in Education because I wasn't minister at the time, in my portfolios I took a very close interest in the savings strategies and worked proactively with my agencies to develop those, gave guidance as to the

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strategies I would like to see put in place and the priorities I had as minister in those agencies and we ultimately worked up a savings strategy that went into the Cabinet process I indicated earlier. I am not in a position to give you a blow-by-blow of how it went in Education because I wasn't minister at the time.

**Mrs TAYLOR** - Of course all the media attention has been on the possible closure of up to 20 schools. The schools issue should be quite separate from a budget process in the sense that, if there are schools that need to be looked at we should have criteria that say when a school gets to this kind of thing maybe the Education department with the community should consult, not because it's a budget saving but because it's right that the school should close. Surely that should be an ongoing process, not something that comes up here.

**Mr McKIM** - Mrs Taylor, I do not necessarily disagree with you in broad terms, but the simple fact of the matter is I have now been presented with this list of schools that I will now go through what I can assure you is a genuine consultation process with those schools' associations. I guess I can acknowledge the fact that this has happened in the context of a very tough budget could lead people to assume that the only driver here is savings but, as I have indicated, there are other strategic issues which I believe need addressing in education in Tasmania, and certainly around the Renewing our Education System program it is indisputable that larger schools over a period of time are better positioned to teach a broader range of the curriculum than are some smaller schools.

**Mrs TAYLOR** - I don't think any of us would disagree with that; it's the fact that it has been identified in the Budget which is the issue.

**Mr McKIM** - I know; I understand that and I understand how people would make the assumption that that is the only driver here, but it is not the case.

**Mr FINCH** - This is about something you referred to earlier about not believing everything you read in the papers. The *Examiner* newspaper's education reporter at the weekend wrote:

'State schools stand to lose hundreds of thousands of dollars under education budget initiatives designed to save costs. Principals are expected to find a way of providing the same services with 14 per cent less to spend in their discretionary budgets after it was announced they would be frozen at 2010 levels. Further, the Government's decision to dump its class size strategy program introduced in 2003 will mean particular schools stand to lose more than \$100 000.'

Can you confirm that figure of 14 per cent less and that some schools may lose as much as \$100 000 per year?

**Mr McKIM** - No, I can't confirm those figures. I presume what is being referred to here is the school resource package decision that was made. I can confirm that there are savings requirements here and the strategies fall into five groups: efficiencies through changed organisational and operational structure; service delivery efficiency savings in the non-school sector; service delivery efficiency savings in schools and post-year 10; rollback of services of lower priority; and extension of savings to the non-government sector. In relation to the school resource packages I might ask Mr Andrew Finch if he is able to shed any light on this 14 per cent reduction. I am not aware of any such reduction.

**Mr Andrew FINCH** - In terms of the overall savings on the department's budget, it represents 2.5 per cent of the recurrent allocation for the department. I think some people have been looking at those figures and probably comparing them to just the school resource packages. In the resource packages the schools get some flexible resource allocation in the order of about \$70 million, but the total expenditure on schools is in the order of \$750 million when you factor into account all those other costs we have been talking about earlier like the teachers and so on that are paid outside of schools or the educational facility attendants - we used to call them cleaners - or school education officers. So you really have to look at the total allocation for schools and in that sense the reduction is more in the order of 2.5 per cent rather than what's been quoted there in the media.

**Mr FINCH** - The article says particular schools stand to lose more than \$100 000. Minister, I would ask about the Summerdale Primary School in my electorate which I believe is one of the larger primary schools in Tasmania. Do they stand to lose \$100 000?

**Mr McKIM** - I don't have the school-by-school figures here so I'm unable to answer that.

**Mr FINCH** - Would you have figures school by school of what they're likely to lose?

**Mr McKIM** - I don't know.

**Mr Andrew FINCH** - We can calculate in terms of the 2012 allocations because the other arrangement is that some of these measures won't impact on schools until the 2012 year so we have some time to transition those measures in and work with schools. We're only in the process at the moment of allocating schools their 2011 allocations.

**Mr FINCH** - I would be interested specifically in Summerdale Primary School because there is an observation that they will lose \$100 000.

**Mr McKIM** - I suspect what we're talking about here might not be our school resource package freeze but our reduction in funding to reduce class sizes, which is another one of the agency's savings strategies. I am happy to take that on notice in relation to that particular school and see if we can provide you with that information about any potential reduction in funding to that school, but as I understand it that would be around the decision to withdraw the funding that had previously been announced for reducing class sizes. I make the point that the reduction in that funding will result in my advice of an average increase of less than one child per class in Tasmania. All the recent literature and my very firm view is that class sizes run a long way behind teacher quality in driving educational outcomes, and you are far, far better off with a good teacher teaching a slightly larger class than you are with a poor teacher teaching a slightly smaller class. So yes, we have had to make some strong decisions in terms of the Government's financial situation but we have tried to make these decisions in such a way that we still do everything we can to maximise educational outcomes.

**Mr FINCH** - Thanks, Minister, because I will need to explain to people and parents from the Summerdale Primary School if that figure is out.

**Mr GAFFNEY** - I want to leave the 20 schools situation for a while so that we can move on to look at other areas across the State. Principals would be aware that there may be funding decreases in their packages because they're fairly attuned to what goes on. What process has been

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in place for the last 18 months or however long it has been so that principals can start looking at some of their programs and where they spend their money? How is that being discussed? I am not talking about the closure of 20 schools here, I am talking across the board. The potential to minimise was out there anyway, but how have principals responded to that or how has that been handled by the department?

**Mr PETTIT** - We started this work back in November last year when Ms Gale and Mr Finch met with all principals and outlined that we had a reduction in our budget that we couldn't meet, so we asked for support from principals about likely savings that could be had at that point. They were workshopped across the State and all principals were involved. Throughout this year we have met with principals on at least three occasions and worked through the fact that the Budget would be extremely tight and we said to them to look at how they assist us in their savings going forward. The day after the Budget I met with the entire executive and every principal and we worked them through the budget demands and how that would impact on every school and allowed an open forum with questions and support. Following that, on the Wednesday I met with all executive officers who manage the day-to-day finances and walked them through the same process and allowed for questions as well.

So schools in the last six to eight months have had a fair inkling that their budgets are going to change and they have also been asked to work through how those budgets will impact on them and we gave them quantities last week after the Budget was announced. Directly after that we have said that by the end of next week they will have the remainder of this year's budget allocations so they can start to put through the rest of their budgets - they get them in two sections this year - and then for next year's budget they will get that allocation within the month. So again they can start to prepare and we will again go back to principals and SEOs around how we can support them to develop their budgets. Each of the learning services have also been involved in that process and they have ongoing work with every school to make sure that any questions are answered.

**Mr GAFFNEY** - Thank you. The national partnership agreement which provides funding for socioeconomic status schools - how long is that set to continue for and for what amount?

**Mr PETTIT** - Each of the national partnerships have a range of lifespans. The lowest is a seven-year program and we are now into I think our second year here, so that will be ongoing and schools are aware of that and also aware of the funding that they will receive over a three- or two-year period. A number of other projects will only last for four years and others for five years.

**Mr GAFFNEY** - So if there is a fluctuation within a population of a school, either positively or negatively, will that funding allocation to the school be determined by the numbers of students in that school?

**Mr PETTIT** - Each of these partnerships have a different way of doing that. The low was determined and fixed and we are saying that particularly around the possible school closures that funding will travel if necessary. Some of the other programs depend on the successor otherwise of the organisation and fit around things like reward for payments. So in terms of literacy and numeracy, if we hit our targets, then a certain percentage of money is added to that particular national partnership for Tasmania.

[4.00 p.m.]

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**Dr GOODWIN** - Minister, are you able to provide information on the student capacity for each school around the State and also what their current occupancy level is?

**Mr McKIM** - We would have that data but I am not sure that we have it here.

**Dr GOODWIN** - Can you provide it on notice?

**Mr McKIM** - The issue around capacity is an interesting one, and I presume you are asking this question in the context of potential school closures. The capacity in schools nearby to schools that I have been recommended to consider for closure obviously varies, and to an extent capacity issues are linked directly to choices that parents make about where to send their children to school. There are many parents in Tasmania who make a choice not to send their child to the nearest school but make a choice to either themselves transport their children or to put them on a bus usually that will take them to a school that is not their closest school.

If any schools are closed as part of this process, then once again parents who have children at that school will be making decisions around where to send their children to school. Some may well decide to send their children to the nearest available school; others may make a decision not to send their child to the nearest available school and instead send their child to another school which is further away. So it is very difficult to make accurate predictions around that. However, we will do the best that we can in the event that we make a decision to close any schools around those capacity issues.

In terms of releasing those numbers, the reason that I am not immediately saying yes is that I think some school communities or school associations if given the chance would actually decide not to have those figures released. We have a number of schools operating at quite low capacity in Tasmania. I think there are sensitivities here. In all of my thinking around whether or not to release particular bits of information, I want to respect school communities and school associations.

**Dr GOODWIN** - So that is a no?

**Mr McKIM** - I will think about it. I guess that this information would probably be RTIable. I am happy to take advice on that. I actually do not know whether it would be RTIable or not. If my advice is that it is RTIable, I am happy to release it publicly because it could simply be obtained by somebody else and released publicly. But there are sensitivities around this information.

**Dr GOODWIN** - There are two elements to it: there is the capacity issue which is how many students attend the school cake; and then there is the occupancy issue. The sensitivities might well be around the occupancy issue, I can understand that, but surely the capacity issue -

**Mr McKIM** - Mr Pettit has something to offer the discussion.

**Mr PETTIT** - One of the difficulties of opening up the capacity debate is that we are uncertain of where the children are going to end up. This is one example of one of the schools that draws from 18 different sites where there are 18 schools. So those children bypass in some cases up to five or six both government and non-government schools to attend this particular school. If we took all of those children out and put them to their location school, then we would have capacity completely for that group or cohort. If they all moved into one other school then

we would not have capacity. So it needs to be a case by case. It needs to be determined whether they have any more rights than any other Tasmanian child to move past eight or nine schools to get to this school? The capacity argument is a very difficult one to define. Even in the country not all but a number of our country schools have three or four options where children are bypassing country schools and going to other schools. It is not as clear-cut as saying because the school alongside you is the one that you will probably go to, it means that that particular site may not have capacity right now but we will make sure it does if we require it.

**Dr GOODWIN** - I suppose what I am interested in is what the capacity is now and what the occupancy is now. If you are able to consider that and let us know whether we can have that information, I would appreciate it.

**Mr McKIM** - Yes.

**CHAIR** - Minister, you will appreciate from the elected members' position, we are not going to misuse that information because at the end of the day we do not want schools in our electorate picking off each other.

**Mr McKIM** - I can indicate to you that that has already started, and in my view it has been encouraged by some local MPs. I do not share your charitable view of members of Parliament, Madam Chair, although I hasten to add that my slightly uncharitable assessment relates more to lower House members than those in the upper House.

**CHAIR** - You can rest assured that the members who sit at this table on this committee have the interests of their community and their schools at heart.

**Mr McKIM** - I do understand that. I have no problem with members of parliament advocating passionately on behalf of their local schools but I can indicate the simple fact that a member of parliament has a view on whether a particular school should be closed or remain open will be of no impact at all to me as I make my decisions. However, if a member of parliament wants to share information and data with me, then I will consider that as part of my process, but the opinion of members of parliament is irrelevant to me in this process.

**Dr GOODWIN** - Can I take it then from that particular statement that any school association who is seeking a letter of support from their local member of parliament is absolutely wasting their time?

**Mr McKIM** - No, not at all, because that letter of support might contain really valuable information or data that I will be able to consider. But if I sat here and said, 'I will be swayed by what -

**Dr GOODWIN** - You care about what I think.

**Mr McKIM** - No, if I sat here and said that I will be swayed in my decisions about whether I close a school because of what an MP told me, you'd be all over me like a rash, with the greatest of respect - and rightly so. I am here to tell you that MPs can absolutely write to me. They can write letters of support for the school association. But I would encourage them in those letters of support or in their letters to me or in their conversations with me to include rationales and reasons. All I am saying to you is that the simple fact that an MP has an opinion on whether a school

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should open or close will not be relevant. But if an MP has information, rationale and logical arguments, I am very happy to listen to them and consider them as I make my decisions.

**CHAIR** - I have a feeling that I might have wasted about six hours on Friday.

**Mr McKIM** - I am sure any communications you make will be full of very well-reasoned and logical arguments and I look forward to reading them.

**Mr FARRELL** - While I was doing my research to write a really good letter to you on behalf of one of the schools -

**CHAIR** - Forget it.

**Mr FARRELL** - A question did come up that I was keen to seek an answer to, particularly in reference to Glenora school which is a district school.

**Mr McKIM** - Yes, it is.

**Mr FARRELL** - Currently they have been allocated 12 teachers to their high school section and apparently eight of the 12 teachers teach across the spectrum so they teach primary classes as well as high school classes. If there is a change to that school, how will that leave the existing primary section of the school teacher wise?

**Mr McKIM** - I am loath to debate matters relating to individual schools, particularly before I have even visited those schools or met face to face with the school association. But what I can say is that in all of the schools that I have been recommended to consider for closure matters such as that have been considered by the department. If the school associations want to raise those issues with me as part of the consultation process, I would encourage them to do so, and we will be able to respond to those concerns in due course. But, as I said, I am loath to debate individual schools in a forum such as this before I have even visited the school associations.

**CHAIR** - That might be at the tea break at about 5.30. Another question, Mr Farrell?

**Mr FARRELL** - That was the main one that I had on that. But if I may be permitted another still on 1.1 with the remoter schools, and this relates back to the school bus capacity, that will be considered as part of this?

**Mr McKIM** - It absolutely will. As I indicated during the sustainable transport session we had earlier this afternoon, Mr Peters, who was sitting in this chair that Mr Finch is now sitting, and Mr Finch have discussed this matter between them. But as I have said, things change all the time in education: we build new schools; demographics change; we review the way we transport students every year and make significant changes every year to bus routes, timetables and so forth so that we can best deliver student transport services. If there is a decision made to close any schools, then obviously that information will be conveyed early in the process. Mr Finch and Mr Peters will meet to determine the best way forward, and we will deal with any changes in the same way that we always deal with changes to student transport. So from that point of view it is simply feeding new information into an existing process.

**CHAIR** - Minister I am interested to know what policy the Education department will have or has in relation to principals who could lose their position - it is no good saying, 'Let us not talk



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about it because it might not happen.' If they lose their position in the school, are they slotted into the same level in the education system or will they have to win a gazetted advertised position elsewhere? Will they have a choice?

**Mr McKIM** - No, they are slotted into the same level.

**CHAIR** - So they are slotted into the same level but they could quite easily not have any choice about where they go.

**Mr McKIM** - Nothing has changed. That is the case anyway.

**CHAIR** - So they will be on the same level but they may not have an opportunity to go where they choose to go.

**Mr McKIM** - That is correct, but it is important to understand that is the same as always happens. Principals do not always have a choice about where they go. They get told to go there and they go. We try to fit in as many requests, if you like, as we can, but ultimately we have 200-odd schools to run in Tasmania; some are more attractive to principals and in fact teachers than other schools; and sometimes we have to require people to teach at certain schools. There is nothing new in that. It is something that every jurisdiction in Australia has to do.

**CHAIR** - They will go through any advertisement process in the Gazette that happens as it always does?

**Mr McKIM** - They will be managed on a case-by-case basis.

**Dr GOODWIN** - Can I just ask a question because I am not following how this works: if you have less schools than you have principals, what will they be doing?

**Mr McKIM** - There are two parts to that answer: one is the natural attrition rate as we lose principals out of the system every year. There is a natural vacancy creation, if you like, through attrition. Secondly, I am advised that some positions have not been backfilled in anticipation that this strategy might have been accepted.

**Mr GAFFNEY** - Through you, minister, for the honourable members: it did come up through the principals association that they are looking at a decline in the number of principals because of the baby boom and with people who are of that age getting out of the system in the not-too-distant future. So there will be more opportunities for younger principals coming through the different levels. I do not think that is going to be an issue.

**Mr DEAN** - I think you were saying we have 200 schools; is that right?

**Mr McKIM** - It depends how you define them but I think it is just over 200 -

**Mr PETTIT** - It is 201.

**Mr McKIM** - That is the Learning Federation school.

**Mr DEAN** - If we go down this path and lose one-tenth of your schools and you are asking the schools to make savings across the board in a number of ways, what savings are going to be

made in the senior management of the education department to correlate with what is happening across the organisation? How many positions will go and what positions are likely to go?

**Mr McKIM** - For a start we are amalgamating our learning services. At the moment there are four learning services in Tasmania: north, north-west, south and south-east and we now have a structure where we have three learning services, so there will be significant savings delivered out of that. In 2009-10 we have already saved 190 non-school positions, and that is effectively in the main through vacancy control.

[4.15 p.m.]

**Mr PETTIT** - We are already one of the lowest-funded non-school based education systems in Australia - in other words, our number of people in central office are the lowest-funded here in terms of how many people we have.

**CHAIR**- They must be all in this room today!

**Mr DEAN** - It is interesting that you make that comparison, because it is a comparison not made in any other organisation vis-a-vis the mainland. We are always treated as a lesser State in so far as staffing, salaries and things like that are concerned.

**Mr PETTIT** - In terms of the Tasmanian government structure we have downsized over 2009-10, and have one of the lower rates of Senior Executive.

**Mr DEAN** - So there is nobody earmarked in the Senior Executive to go now as part -

**Mr PETTIT** - Other than the one reduction out of Learning Services.

**CHAIR** - We will talk about that when we get to 1.2. I have a question, Minister. The honourable Leader told us in the House last week that the savings for the department had already been factored into this Budget and you said you would need to make savings elsewhere because it was not completed. We have heard all sorts of numbers, but if it is already in there are everyone has to stick to their budgets this year, how can you do that? How can you manage this budget if you don't get all 20 schools closed? If you decide that you can't possibly break the heart of a community and take their school, how will you do it?

**Mr McKIM** - We will have to find savings elsewhere in the department, as I said. There is a range of possible strategies there, but I am not going to flag what they might be - one thing at a time. I reckon that is the way to go in this and what we have now is a process that I am genuinely committed to that will see me consult with school communities. I will make decisions based on a whole range of information, some of which no doubt will be provided to me by school associations on behalf of their school communities. Once I have made those decisions on potential school closures, if we need to find further savings elsewhere in the agency, that is what we will do.

**CHAIR** - Minister. one other point that I think is really important, particularly for members who represent schools that are targeted - I am mindful that you chastised me about the 'hit list' - will you be going to the schools?

**Mr McKIM** - Yes.

**CHAIR** - All those 20 schools, face to face?

**Mr McKIM** - Yes.

**CHAIR** - Thank you. I actually heard on the radio that you might not have been going to them all, but I am glad you have changed your mind.

**Mr McKIM** - No, I haven't changed my mind at all. I can say to you that I will be visiting those schools - all 20 - and, separate to that, I will be meeting face to face with all 20 school associations.

**CHAIR** - They are so looking forward to your arrival.

**Mr McKIM** - I am looking forward to meeting them. I am just sorry that it will be in those circumstances.

I have just been provided with some further advice on one of the previous questions. Someone asked me about the staffing levels at the 20 schools. Those figures are: permanent teaching staff, 155; permanent non-teaching staff, 148; teaching staff on fixed term contracts, 54; and non-teaching staff on fixed-term contracts, 42. So the permanent total is 303 and the fixed-term contracts total is 96.

**Dr GOODWIN** - My question is around the consultation period, which is fairly tight. Was there any particular reason why you went for the four weeks?

**Mr McKIM** - Firstly, four week is not the full consultation period because it is in effect a two-step consultation period. The first phase is four weeks and that is around school associations getting back to me in writing - and we will support them through the work they do on that - and the second is my face-to-face meetings with school associations, so that will happen after the written responses. That is the second phase of the consultation process. The reason we worked out the time lines as we have is that, depending on decisions that I make, if I do decide to close any schools - and we have to assess this on a case-by-case basis - it may be that we are required to do some works at nearby schools to provide the capacity to accept students from the closing schools and we will need enough time to make sure that we can do that. If I do decide to close some schools I am not prepared to have students show up to a half-filled classroom.

**Mr DEAN** - You are obviously going to close schools - it is only the numbers you are talking about.

**Mr McKIM** - I will just repeat that I have not made a decision to close a single school.

**Dr GOODWIN** - Is there another list of other schools that you might consider?

**Mr McKIM** - Not that I am aware of, no. The only list I have ever seen is the current list and the 20 schools that I am considering.

**Dr GOODWIN** - I think the minister said he didn't want to go down the path of talking about individual schools because -

**Mr McKIM** - I prefer not to because I haven't yet visited those schools in the context of the budget announcement, and I haven't yet met with any of the school associations. There are many school communities and school associations that are talking publicly about this and I understand why that it - and I not critical of that in any way. But I really want to try to respect the school associations and communities throughout what is undoubtedly a very difficult time for them. I have campaigned to save things many times in my life, and I know how hard you work when you really believe in trying to save something, and I know what a toll it can take on you, both personally and as a community. Even though I have never campaigned to save a school, I have campaigned to save things that I really really care about, so I think I have a pretty good idea of what the school communities are going through. It is a difficult time and I would like to try to respect them through the process.

**CHAIR** - Minister, can I ask you your position on the Tasmania Together benchmarks and how they fit in with the Education budget? Are they considered when you are putting the budget together?

**Mr McKIM** - I wasn't the minister when the Education department budget was put together, so I am unable to answer that question. I don't know whether those benchmarks were considered by the previous minister.

**CHAIR** - Would you have a mind to ask the people beside you whether those benchmarks were considered?

**Ms GALE** - I am not sure what the point of the question is.

**CHAIR** - Most departments have to consider the Tasmania Together benchmarks and goals when they put together their budget, and you will find through the budget papers that some departments actually align their budget with the goals and aspirations of the benchmarks. I just notice that goal 5 of Tasmania Together is for 'vibrant, inclusive and growing communities where people feel valued and connected', then goal 8 is for 'open, accountable government that listens and plans for a shared future.' I just wonder how that marries up with your budget area. Do you share those goals?

**Mr McKIM** - Yes, in fact I do share them - very much so. The second of those I think we are fulfilling - we are listening and we are engaging and we are in the process of a genuine consultation.

**CHAIR** - That is encouraging, Minister, because I have actually found those quite a bit through the budget -

**Mr McKIM** - I can assure you and all members of the committee that this will be a genuine consultation process. I understand that I will be scrutinised through this process, by members of parliament, the media and the school associations. I will do my best to conduct myself in a dignified way with the greatest of respect and regard for school associations.

In terms of vibrancy, we need to make sure that we have a sustainable education system so that we can have those vibrant schools and communities. Part of what we are doing is to try to build some long-term sustainability into our education infrastructure.

**CHAIR** - I am just really pleased that we are on the same page here.

## UNCORRECTED PROOF ISSUE

**Dr GOODWIN** - One of your amalgamation criteria is accessibility and maximum travel time to school by bus. Do you have that data for all the schools?

**Mr McKIM** - I do, but I am loath to discuss it publicly. It has been provided to all the schools in terms of travelling to nearby schools. That has been included in the impact statements that have been sent around to schools.

**Mrs TAYLOR** - You will take into account the extra time that it takes some children to get to school -

**Mr McKIM** - I will. Matters such as that - a particular dodgy bend on a particular road - all of those things I have encouraged school associations to bring to my attention as part of the consultation process. Importantly, one of the reasons I intend to be so hands-on with this consultation is that there will inevitably be things that I am not aware of now, that the department cannot be reasonably expected to be aware of, but things that are really important to decisions around school closures. I do urge school associations to bring such matters to my attention. It might be that one or two students already have to travel 45 minutes.

**Dr GOODWIN** - Is that travelling time data something that you already have?

**Mr McKIM** - It is information held by the Passenger Transport Branch of DIER, so that has been accessed by DoE specifically for this process.

**Dr GOODWIN** - And for those specific schools.

**Mr McKIM** - Yes. And these are travel times by bus, I hasten to add. Obviously if someone leapt into a Ferrari, the travel times would be less.

**Mr DEAN** - With regard to the strategy you are using for school closures, have you thought about any other strategies, or going down another path?

**Mr McKIM** - Do you mean other savings or -

[4.30 p.m.]

**Mr DEAN** - No, another way of going around the school closure question and talking with the communities - and it was a committee chaired by Les Banks where Rocherlea Primary School was to be closed and it was vehemently opposed by the community initially. A special committee was set up of business people and community leaders who came together and spoke about this and spoke to the community, and in this case it worked and they sold it to the people at Rocherlea, albeit it was only from an old school to a new school about 500 metres away. But it worked, and it worked quite well. So have you thought of other strategies to do this?

**Mr McKIM** - I am not sure what was so different about that strategy. That was done at a departmental level rather than a ministerial level, but the consultation went on and engaged in this general -

**Mr DEAN** - Yes. I thought it was a good process.

## UNCORRECTED PROOF ISSUE

**Mr McKIM** - If schools want to engage with their local communities and put suggestions to me, I will be really happy to consider them.

**CHAIR** - That is an interesting point, minister. I recall a community in the Fingal Valley being one of those proactive and cooperative schools, and they went down the federation path model. They are under the St Marys campus, so they do not have a principal on site and they do not have admin on site, but they are still targeted. That tells me that being proactive and cooperative does not always win the day. Would you agree?

**Mr McKIM** - The schools on the list, the kinds of schools that I have been advised to consider for closure, have come out of a rigorous application of the criteria, which we have made public, by the department, and they will be assessed on a case-by-case basis. I think it is dangerous to generalise in these circumstances.

**CHAIR** - That is specific, it is not generalising. That is an actual specific case.

**Mr McKIM** - Obviously I know which school you are referring to. Certainly, yes, they have been proactive, and if that is one of the arguments they want to raise, that would be an entirely valid point for them to make in the consultation process.

**CHAIR** - Yes. In the context of what Mr Dean was asking in relation to that, I found that interesting. Anyway, I am not making statements, because I am asking others not to, so I will not go down that path. Probably some of these areas overlap a bit, but I will try to move into 1.2.

**Mr McKIM** - I am happy to be flexible.

**Mr DEAN** - There were some other questions on the first one. We only touched on the school closures. Can I ask one?

**CHAIR** - Yes, of course you can.

**Mr DEAN** - I just want to ask a question in relation to school bullying and violence within schools. I refer to a question that was referred to me very recently involving a youth at the Reece High School who produced a knife. I am told that over the last three year in grades 7 to 10 across the State there have been about 50 knife incidents, which is comparable with previous years. My first question is - is it acceptable to the department that we are having that many knifings within our schools, years 7 to 10? Furthermore, if I can ask my next question at the same time, this student, I am told, was a challenged student with learning and behavioural needs. He was a student who was being monitored very closely, I am told in this document I have here. How is it that a student who is being closely monitored is able to threaten assault on another student and chase him out of a classroom, then go to his schoolbag and retrieve, as I understand it, a knife a from his schoolbag and then take off again and get caught? I think he was apprehended. How is he able to do that in that situation?

**Mr McKIM** - I do not have enough detailed advice before me to respond to that quite lengthy assertion from you, Mr Dean, about what happened in this circumstance, but I know I have signed a response to a question on notice to you. So we have provided that information to you.

## UNCORRECTED PROOF ISSUE

**Mr DEAN** - My question is, though, if he is being closely monitored, how close is the monitoring of students who have these issues and problems, known problems, with their school? How close is the monitoring, and what training and guidance is given to teachers to manage these situations?

**Mr McKIM** - We provide training and guidance, and we do everything we can to monitor students in that situation. Just to backtrack a bit, because you have asked a number of questions, no possession of or assault with a dangerous weapon in our school system is acceptable - of course not. However, like it or not, schools from time to time reflect the communities around them, and in the same way that no assault with a dangerous weapon is acceptable in our community but it does still happen occasionally, no assault with a dangerous weapon is acceptable in our schools but it does still happen occasionally. What we have to do is make sure we put in place processes as best we can to minimise such occurrences.

In terms of training, I can tell you that all school principals in the Tasmanian Department of Education are appointed as responsible officers under the Workplace Health and Safety Act 1995. A significant amount of information and advice is available to support principals and senior officers in this role. However, a need exists for the DOE to ensure that all responsible officers are fully aware of their duties in this area, and aware of the support available to assist them in this role and how to access that. We do that by conducting training, and the training is aimed at all existing responsible officers and those who may be required to act in that role or who may be identified as possible future candidates for the role of responsible officer. We do a forum that includes an overview of OH&S legislation, duty of care, risk and emergency management, OH&S systems in DOE and right to information, and I have further information on that if you are interested.

I can also tell you that more broadly in our schools we run a range of programs to promote positive behaviour and discipline and to reduce bullying in our communities. I will be very quick here, Madam Chair. We have the school-wide positive behaviour support, which is currently used in 83 schools, and each learning service provides support for the program. Interestingly, we are using restorative practice - you would be aware of this, Mr Dean, from your previous roles in life - and very interestingly, Learning Services North signed an MOU with Tasmania Police based on restorative practice in April 2009. Data from schools and police in the north indicates a significant drop in violent and bullying behaviour as a result of the restorative practice MOU, and anecdotal evidence from school principals indicates that there has been a reduction in internal suspensions and time out.

So on the basis of what we believe is the success of that program, we are currently developing a statewide MOU based on that northern model with Tasmania Police to make sure that we can maximise the opportunities around restorative practice. Also - and this has received some media publicity - we provide two interactive online modules, Us Online and No Bullying Here. This is from Roar Educate, and this addresses bullying and cyber safety issues for students and teachers from K to grade 12. This program covers cyber bullying, online identity, social networking privacy, gaming, people's digital footprints, web research copyright and cyber security, and the program has been made available this year for the first time to all State schools.

**Mr DEAN** - Are you satisfied that the department is doing enough to ensure that students are not taking weapons into schools?

## UNCORRECTED PROOF ISSUE

**Mr McKIM** - I do not think I would like to see a situation where we have a metal detector at the front gate of every school, but I think we are doing as much as we reasonably can be expected to do, yes.

**Mr DEAN** - I guess if there is a stabbing there will be a metal detector put in.

**Mr McKIM** - I would be disappointed to see the day.

**Mr DEAN** - We have to live, I think, to today's times, unfortunately, and it is sad.

**CHAIR** - Mr Finch.

**Mr FINCH** - Minister, I want to talk about life education, and I want to ask what is allocated in the Budget in this coming year for our drug and alcohol programs and the sorts of programs that life education might cover. What is being expended and what sorts of programs do we have to steer our young people away from this path that might lead them to living the sort of lifestyle that we do not want them to live?

**Mr McKIM** - We have an inter-agency working on drugs, which has responsibility for coordinating a whole-of-government response to drug-related issues, and the Department of Education is on that group. We provide systemic support for principals to make informed decisions in relation to drug-related issues and incidents, and we are currently updating our policy. We also have an MOU with Tasmania Police that specifies the relationship between schools and police in managing drug issues in school

We have a project coordinator funded to oversee and support cross-sectoral State drug education projects and professional learning opportunities for teachers, and that has been provided with \$160 000 funding for the National Education Agreement, with a further \$62 000 kindly provided by the Department of Health and Human Services. That is some of the context around what we are doing at an overview level, if you like.

We then look at drug education programs in schools, and again in accordance with the Learner at the Centre philosophy, we believe that schools are best placed to decide now to incorporate drug education into the curriculum. There are a lot of complexities around this. There is a the requirement or at least a perceived need for specific and current information to be provided to students with a focus on the social and emotional contexts of drug use; there is an exploration of community values and individual values in relation to drug use and a focus on a safe and supportive school community to encourage school engagement and retention. So we are working in this area. If you have any further specific questions I would be happy to take them on notice.

**Mr FINCH** - Mr Pettit might have some understanding of how life education works in Western Australia or the way it works in with the school system, and probably an opinion as to whether it might be something that we should explore more strongly in Tasmania to introduce in our younger years, like K to 6, with the program actually going into high schools. It was attempted to establish that program in the schools 25 to 30 years ago -

**Mr McKIM** - In Tasmania?



**Mr FINCH** - In Tasmania, and unfortunately it fell away. But it is developing and growing in Australia and around the world, and Tasmania is being left out. Victoria is wanting to help us to embrace the program, and we did speak with the previous minister, Minister Thorp, and nothing came of those discussions. But I think it is something that we need to be considering for our young people in respect of those aspects of life that they should have an understanding of.

**Mr McKIM** - Yes. I will ask Mr Pettit to provide some further information to you, because he has indicated to me that he is aware of the program that you are referring to. But before he does that, I want to take the opportunity to make a couple of comments in this area, because ultimately this overlaps into policy, which is a matter for me to consider as minister. Members will be aware that the Greens have made various comments about the fact that sex education is not mandated to be taught in all Tasmanian schools. I can indicate that I have had preliminary discussion about this and I intend to look at this issue in the near future, because it strikes me as unacceptable in Tasmania, with the country's highest rate of teenage pregnancies and a range of other social indicators that show that we need to do more in this area, that you can go all the way through the government education system without any sex education.

So that is something that we are going to look at over the upcoming weeks and months, and I will be working with the department to see if there are some strategies we can put in place around that. My understanding is the program to which you are referring also touches on things like sex education. So, certainly, I have got an interest in that area, and I have got a view that we need to make sure we are fulfilling our responsibilities in that area. Having made those comments, I think Mr Pettit can assist you in relation to that specific program.

[4:45 p.m.]

**Mr PETTIT** - Thanks, minister. Can I just say from the outset that Tasmanian education does touch on most of those things through its health curriculum. So we are already in that space. I was not aware that Victoria were keen to be involved with Tasmania, so I would be happy to take that on notice and have a look at how we might partner some work into the future. However, it needs to be balanced against the good work that has already been done in this area across Tasmania. Perhaps we need to tell our story a little bit more strongly - that fact that our schools are actually into this space quite strongly. If we can improve on it, we should.

Based on your information, we will certainly go and talk to the Victorians and see how we can accommodate some of their program, if it is at all possible. Equally, I think we probably need to provide you with an update in terms of what we actually do in this space.

**CHAIR** - Minister, you might be interested that the best sex educator that was going around the schools is now a member of the Parliament, the member for Murchison. Dr Goodwin.

**Dr GOODWIN** - I want it to ask a couple of questions about workers compensation and home schooling and the like. Am I in the right area for that?

**Mr McKIM** I am pretty flexible about that.

**CHAIR** - We are still on 1.1, In School Education. We have not left that yet officially.

**Mr McKIM** I am happy to take questions on that. I am pretty relaxed about how these things go. But it is up to you, of course.

## UNCORRECTED PROOF ISSUE

**CHAIR** - I actually like a bit of order. It is not in that area, so we will leave it until later.

**Mr McKIM** Well, let me just see if I can take some advice on this.

My advice is that workers compensation is classified as an overhead and can be addressed anywhere within the budget.

**CHAIR** - Okay.

**Mr McKIM** So, if you would like to ask a question about that, I would be happy to answer.

**Dr GOODWIN** - I am just wondering if you can indicate how many workers compensation cases have there been and whether there has been a trend up or down?

**Mr McKIM** I have some significant numbers here for you. Total claims received in the year ending 31 March 2011 are 466. That is a reduction from 489 in the previous year and 497 in the year before that. That does not include the Polytechnic and the Academy. In the Polytechnic and the Academy, the number is 47. That is for the year ending 31 March 2011. I can break those down into injury types if you are interested.

**Dr GOODWIN** - Sure.

**Mr McKIM** For the year ending 31 March 2011 - this is what goes to make up the 466 - we have 79 back injuries, 35 head injuries, 98 lower limbs, 100 upper limbs, 22 multiple, 16 neck, 34 shoulder, 60 stress, 7 systemic and 15 trunk.

**Dr GOODWIN** - In relation to the 60 stress, do you have any figures as a benchmark? Is that up or down?

**Mr McKIM** There were 57 in each of the two previous years, so no significant change.

**Dr GOODWIN** - In terms of all those physical injuries -

**Mr McKIM** It might help you, Dr Goodwin, if I go through the key reasons that were listed for the stress.

**Dr GOODWIN** - Sure.

**Mr McKIM** I am trying to be open and accountable here.

**CHAIR** - Is it kids, kids and kids?

**Mr McKIM** No, it is absolutely not. I will just go through them. Again, this is the year ending 31 March 2011. There were two where the reason was a difficult parent; five where it was a difficult relationship with colleagues; 15, difficult relationship with students; one, a difficult relationship with principal; 17, general failure to cope; 4, psychological trauma; one, reasonable management; seven, workload; five, bullying or harassment; none for performance management; two, employee conflict; and one, unreasonable management, giving a total of 60. I can inform you that, of that 60, there are 38 back at work now, so that is as of 31 March. There are 38 back at work full stop, eight are back at work on a rehabilitation program, nine are currently

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incapacitated, two are on sick leave, and there are three in the other category, which could include either a longer leave or a resignation.

**Dr GOODWIN** - Thank you, minister. The other question I had was in relation to the physical-type injuries.

**Mr McKIM** Yes.

**Dr GOODWIN** - They do not involve assaults or anything like that, do they?

**Mr McKIM** I do not have advice on whether or not and, if so, how many of those were caused by assault. But if it assists the committee, I can give you the employee classification. There are 130 attendants, 27 clerical admin, 4 librarians, 17 principals, 197 teachers, 87 teacher aides, no school psychologists, five social workers, one pathway planning officer and two canteen supervisors, which gives the total of 466 that I referred to earlier.

**Dr GOODWIN** - So that question I just asked about whether the injuries are attributable to assaults, is it possible to provide the answer to that?

**Mr McKIM** I do not think we can answer that. I am getting general shakes of heads. I do not think our data collection provides for that to be answered.

**Dr GOODWIN** - Have we asked a question already about assaults? No. Do you have any data on assaults on teachers?

**Mr McKIM** If the committee would like to keep going, I am happy to come back to that question to see whether I have got some advice for you on that.

**CHAIR** - We will.

**Mr FARRELL** - Just a quick one - it is probably a yes/no question, minister.

**Mr McKIM** Okay, I like those ones.

**Mr FARRELL** - I think the underlying issue here is if you go back to the question of Mr Dean, if you look at it, it is 60 000 students, 200 days, 200 schools over three years and there were 50 knife incidents. That is quite minimal. If you look at sex education outcomes, all the students have sexuality education throughout their time. They may choose at some point to withdraw from sex education through their parents. And then we mention things like other programs like Life Education or Choose Life, which can come at a cost to schools.

**Mr McKIM** Yes.

**Mr FARRELL** - They are not always delivered free of charge.

**Mr McKIM** That is correct.

**Mr FARRELL** - The question that underlies that is: with the financial decrease that is going to be available to all schools, principals and staff will still have power to provide those programs that they think are most effective to provide safe and secure environments?

**Mr McKIM** Yes, they will.

**Mr FARRELL** - So we are not talking about taking funds out of those things that are really important. We are looking at trying to make savings out of those that we think are less dangerous to the health of the students?

**Mr McKIM** That is absolutely correct, Mr Gaffney. If you would ever like to be the education minister, I am sure -

**Mr FARRELL** - No. But I just wanted to get that clear for the record. We are talking about minimal numbers there with the knife incidents.

**Mr McKIM** I think we are. The 50 in isolation seems quite a large number. However, it does have to be placed within the context that you have just placed it.

**Mr DEAN** - It is one every two-and-a-half weeks.

**Mr FARRELL** - Over three years.

**Mr DEAN** - I know, but two-and-a-half weeks in a school year, and I do not think that is insignificant.

**Mr FARRELL** - It is 50 over three years.

**CHAIR** - Order! Members should not be asking questions between themselves. I am mindful that the day is drawing on, but if we can keep our voices up a bit, that helps with Hansard as well.

**Mr McKIM** - No worries.

**CHAIR** - Thank you. And any others in the room that might be interested in what's being said will probably find it fairly useful, too. I believe that Mr Dean has a question.

**Mr DEAN** - I do. Do we have a figure on the number of suspensions that are occurring? Minister, is the number of suspensions held against a school in some respects? Are schools judged around the number of suspensions they have? Is that a criterion somewhere?

**Mr McKIM** I will ask Ms Gale to provide some advice.

**Ms GALE** - In fact, we stopped reporting suspension data publicly because it was obvious that schools were using them in very different ways to manage their student behaviour. So we certainly do not hold that against schools at all.

**Mr McKIM** It is not held against schools.

**Mr DEAN** - Are they going up or down?

**Mr McKIM** - No, I will just go through some numbers for you here. In fact, the last figures we have, obviously, are for the 2010 school year, and we are down 220 suspensions on 2009, so

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down from 3 424 to 3 204. So that is the number of students suspended. The number of suspensions, we are down 431 from 7 631 in 2009 to 7 200 in 2010. Total suspended days is also down, but I have not got a calculator here, so I cannot tell you what that is. It is down from 23 563 to 22 735. The proportion of students suspended is down from 5.7 per cent to 5.4 per cent. Average number of suspensions per suspended student is the same at 2.2. Average duration of suspension has gone up from 3.1 to 3.2, which is a statistically insignificant change. So, what I would argue on the comparison of 2009 to 2010 figures is that we are trending in the right direction.

**Mr DEAN** - That is good.

**Mr FINCH** - Minister, I want to talk to you about the early childhood intervention service that we have in Mumford Street. Are you aware of the operation of that in Launceston?

**Mr McKIM** Which street, sorry?

**Mr FINCH** - Mumford Street.

**Mr McKIM** No, but I think I am about to become aware of it. You have some information on it, no doubt. I am happy to hear your feedback on it.

**Mr FINCH** - Yes, they look after children who have specific difficulties. I think they are young people with intellectual disabilities. I think it might even be physical difficulties. To give an example, since 1996, the number of children brought to four - which is their client base - has doubled to 120, with no increase in the number of staff.

**Mr McKIM** Okay. I think that Ms Banks might be able to provide some information. I will just ask Ms Banks if she can assist us.

**Mr FINCH** - I am concerned about a lack of support for the school. There were some cutbacks that are likely to occur there, particularly with regard to support going out into the community. I just think because of their good work and the track record they have got, they are probably not being as recognised as they should be.

**Ms BANKS** - I think it is really important to recognise the work that does go into looking after students with special needs. Early childhood intervention services is something that the State should be really proud of. It is not common in other states and jurisdictions. It is, indeed, a quality program that we are doing our very best to support. We will try to ensure that they continue to be supported as well as we can through this budgetary difficult time. I understand that the numbers of families accessing early childhood intervention services has continued to grow. In part, that is because of the referral mechanism.

It is important to also say at this point that the funding for that comes out of the disability component of the education budget. So there is always pressure on that budget, because everybody who was a little person with a disability wants and needs the extra support for them. But within that, there is not any increase in the numbers of students from early childhood intervention services subsequently becoming eligible for the severe disability register. So the intervention that we are able to offer in those early days certainly does help those families to ready the young person for school. Also, it closely links with our Launching in Learning program that helps support other young children and their families before they are ready to come to school

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as well. So I think that, in part, one sector helps the other, if you like. So early childhood intervention services had more students referred to them because they are being picked up through Launching into Learning.

So, the short answer is that we are aware of it. We are certainly going to look really closely at it and see how we can support them better to offer the service in ways that still meet the need and try to support them through any budgetary issues that they might have.

[5.00 p.m.]

**Mr FINCH** - That is very important, of course, because families find themselves in a very crucial space when they realise they have a child with special needs and they are supported through that, but my concern is for the staff and the conditions in which they work. Minister, if I can highlight to you that the staff there do not have very good facilities. If the staff that are there and their support people want to meet, they have to meet virtually in a phone box. Conditions are not good.

**Mr McKIM** - I will take that on board and perhaps next time I am able I can drop in to visit that facility. In fact, I will ask for some advice from the department on the staff and the facilities there.

**Mr FINCH** - I am not critical of the work they are doing but I think the staff do need support.

**Mr McKIM** - I understand that and I hear that argument very clearly.

Madam Chair, I have just been provided with some further advice in relation to Mr Dean's questions on senior executive positions in the department. I can indicate that as of 30 June 2010, the department had 19 senior executives and there were seven in the Tasmanian Polytechnic, which at that time was not in the department and now is. So if you add those two together you get a figure of 26 as of 30 June. My argument is that that would stack up pretty well against a range of other agencies: 42 in the Department of Health and Human Services; then the Department of Premier and Cabinet, a much smaller agency with 24; the Department of Primary Industries is also a much smaller agency with 24; and DED with 22 – again, these are agencies that are very small in budget terms compared to DOE. I would argue we are running pretty efficiently at the top of the department.

**CHAIR** - Thank you. Minister, in the interests of actually completing some time this evening I would like to move into 1.2, Learning Services.

**Dr GOODWIN** - Before we go to am, am I able to check on the status of my question about the assaults on teachers? And if it is possible to get some data on assaults against students by students as well, that would be good.

**Mr McKIM** - We are taking that advice by electronic communication as we speak. We might have something here - it is amazing the miracles of modern technology. I would like to inform everyone that is not my iPhone carrying case. The advice that we have is no assaults on staff as such.

**Dr GOODWIN** - Do you have any data you can share with us on assaults by students against other students?

**Mr McKIM** - Sorry, just to be clear about this: the question was asked do we collect suspension data that identifies assaults on staff, and the answer for that is no.

**Dr GOODWIN** - But then I did ask a question about assaults against students and assaults on teachers, whether there have been any -

**Mr McKIM** - These are collected in the context of suspensions. It would require the particular behaviour to have led to a suspension, as I understand it, for it to be caught in these numbers.

**Dr GOODWIN** - So you do not separately collect any data on assaults against teachers and assaults by students against students?

**Ms GALE** - If I can clarify that 'assault' is a term that many people understand differently. If we are talking about assaults in the legal sense, then, no, we do not have any of those assaults but we do collect suspension data which we generalise as physical abuse and harassment.

**Mr McKIM** - I can provide you with those figures from 2010, which is obviously the last year for which we have figures. The count for suspension for a reason of physical abuse and harassment was 2 539 down from 2 880 the previous year.

**Dr GOODWIN** - So that could be a mix of students and teachers being physically abused or harassed?

**Mr McKIM** - These are suspensions of students.

**Dr GOODWIN** - But the students to have been suspended may have physically abused or harassed a teacher or a student?

**Mr McKIM** - I presume that that is the case.

## **1.2 Learning Services -**

**CHAIR** - We have already offered our congratulations to Ms Banks on her position. That brings me to the fact that I am led to believe that particular position could well go and the schools are going to be split between staff out of north and the north-west offices and also the southern and south-west learning services are going to be amalgamated.

**Mr McKIM** - The two southern.

**CHAIR** - What is going to be the new setup for learning services?

**Mr McKIM** - The short answer is there will be three learning services, not four.

**CHAIR** - But there will still be a manager of each learning service district, a general manager at regional learning services level?

**Mr McKIM** - I will ask Colin to respond.

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**Mr PETTIT** - Yes, the three learning services will line up and mirror other Government agencies, including health, in terms of regionalisation. The two in the north will be predominantly unchanged. There may be one or two schools who move. We are not sure yet but predominantly as they are - north and north-west.

**CHAIR** - How will you choose whether they move?

**Mr McKIM** - That will be an operational matter for the department but I assume that efficiencies will be examined and the decision will be made on the best administrative outcomes and also the best outcomes for the schools.

**Mr PETTIT** - In the south it will be the south and south-east will be joined, and there will be a general manager above that one organisation.

**CHAIR** - Therefore there will be a reduction in the south, but you will need to make two new appointments in the north; is that correct?

**Mr PETTIT** - We currently have two acting in the north and the north-west. Both of those positions will be advertised towards the end of July to be filled substantively.

**CHAIR** - How much is anticipated to be saved by amalgamating the south and south-east?

**Mr McKIM** - It is \$1 million in the first year, which is 2011-12, and then \$1.5 million recurrent savings after that.

**CHAIR** - A substantial amount. Minister, I would now like to move to the area of relief teaching and I know that you already know I have these questions because you had not got around to signing off on them. So I will see if I can get the answers here. I know from past questions that have been asked in the Parliament that last year almost \$15 million was spent on relief teachers and that averaged out to almost \$70 000 per school. Is there any work being done on how we can reduce that significant number - a new model for relief teaching to be implemented around the State?

**Mr McKIM** - Certainly not that I know of. Mr Finch has his calculator out so he is about to give us some potential hot off the calculator advice. I am not aware of any such work being done but I believe I am about to receive some advice on that.

**CHAIR** - Would you agree that \$15 million is an enormous amount of money for relief teachers?

**Mr McKIM** - Fifteen million dollars is certainly a lot of money in nearly every context. Relief teachers provide some flexibility within our education system. There are reasons why relief teachers will always in my view be a feature of the education system. That is because often there are staff absences at often very short notice, such as for reasons of illness. For example, they are not called until the morning of a school day when schools will need to consider relief teachers on a case-by-case basis. I can tell you that over 40 per cent of the teachers undertaking relief employment are already working for the department in fractional workloads; in other words, those 40 per cent are already working potentially for one or two days a week, so they augment their contracted salaries by undertaking relief teaching.



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**CHAIR** - Would that be predominantly in the urban areas?

**Mr McKIM** - I do not have advice on that, chair, and I cannot assist with that. I am not sure if we have advice regarding areas. Mr Finch was just reminding me that while \$15 million does sound like a lot of money, it is only about three per cent of the total amount we spend on teachers in any year in Tasmania and also we have to have relief teachers that have the flexibility to fill positions that might be quite specialised. If a science teacher goes down and cannot come to work, it is not ideal to fill that with a PE teacher, for example.

**CHAIR** - But I bet it happens.

**Mr McKIM** - I am not sure whether it happens or not.

**CHAIR** - Particularly in rural areas. I would suggest that whatever teacher you can get is the person that you will take at 8 o'clock or 8.30.

**Mr McKIM** - That is interestingly an argument that I have used in the context of considering closing schools. It is often easier to teach a broader curriculum range with properly qualified teachers in a bigger school than it is in a smaller school.

**CHAIR** - Would you accept that, at an average of \$70 000 per year per school, you could actually employ what might be considered a floating teacher to cover relief days?

**Mr McKIM** - My advice that some schools do do that, but these are decisions for the schools. That is what we are doing with Learner at the Centre: we are empowering schools, school associations and school communities to take responsibility for these decisions; we are not mandating them out of my office in Hobart CBD or Colin's office or Andrew's office. Some schools do decide to take that money and employ, as you describe, a floating teacher; but other schools might prefer the flexibility to be able to replace a science teacher with a science teacher one week and a PE teacher with a PE teacher the next week. Those decisions are appropriately made at school level.

**CHAIR** - So each school gets an allocation of around \$70 000 per year to cover relief; is that the case?

**Mr McKIM** - No, my advice is that is the average expenditure per year per school. My advice is that schools are funded through the school resource package, which is significantly based on enrolments at the school. So larger schools get larger funding and smaller schools get smaller funding allocations, and the schools then make a decision about how to handle those funds and where to allocate them. As I said, some schools will employ a floating teacher, which intuitively to me - and I am not an expert here - might be easier to manage in a larger school, but again it is a matter for schools to determine what suits their local needs.

**CHAIR** - So the \$70 000 average per school spent on relief teaching has absolutely no relevance to the allocation that each school is given in their resource package for relief teachers?

**Mr McKIM** - No, that expenditure comes from the school resource package.

**CHAIR** - But that \$70 000 has no relevance to each school. There could be 140 in one and 25 in another?

**Mr McKIM** - That is correct.

**CHAIR** - Thank you.

**Mr McKIM** - I am also advised we take into account historical patterns at schools so we can better match the resourcing to the requirements.

[5.15 p.m.]

**CHAIR** - I am aware that it is indicated in budget paper 2, volume 1 on page 6.14 table 6.4, that there is a development and implementation of a road safety education resource costing \$180 000 that has now been completed and transferred to the Education department for delivery, so will all the schools deliver that program, Minister?

**Mr McKIM** - I am not sure about that so I will take some advice. I will just make a note of that and if you like we will carry on.

**CHAIR** - In relation to Aboriginal students, could you provide more detail on this area? When did the 10-year goal performance commence, what was the target number and how is this program travelling?

**Mr McKIM** - We have some pretty good news to tell in our attainment in this area. We have the lowest gap between indigenous and non-indigenous students in the country.

**CHAIR** - When we are talking about the performance measures, how do I know when it started? When did the 10-year goal commence?

**Mr McKIM** - We do not know so we will take it on notice.

**CHAIR** - How is the program tracking?

**Mr McKIM** - We're tracking pretty well, as I said. In terms of the national comparison we have the smallest differences in mean score results between indigenous and non-indigenous students for all tests and all year levels, so that is actually quite an impressive achievement. On average the gap between indigenous and non-indigenous students is 50 per cent less in Tasmanian than other States and Territories.

**CHAIR** - I was just particularly interested in how the program was tracking and if I didn't know when it started it's hard for me to know the 10-year goal.

**Mr McKIM** - I understand that but we do have a strategy for closing the gap in Aboriginal education outcomes. It began last year and is planned to run until 2014, so that's a five-year strategy, and as part of that we have identified 69 focus schools based on high Aboriginal student enrolment and high educational need and these schools receive specialised support through Aboriginal Education Services to support inclusive teaching and community engagement. In terms of the national approach there are indigenous education targets established and we have commenced implementation on a range of measures designed with the aim of halving the gap in reading, writing and numeracy achievements for indigenous children within a decade, halving the gap for indigenous students in year 12 attainment or equivalent attainment rates by 2020, and halving the gap in employment outcomes between indigenous and non-indigenous Australians

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within a decade. These are ambitious targets and, as I said, we do have the smallest gaps in terms of those between indigenous and non-indigenous students for all tests and all year levels. Having said that, there is still a lot of work to do in this area and nobody is resting on their laurels. I have just been advised that the 10-year program started in 2009.

**CHAIR** - I believe that information would be useful in the budget papers in the future.

**Mr McKIM** - We'll make a note of that, thank you.

**Dr GOODWIN** - I am not sure if I'm in the right area again - home schooling?

**Mr McKIM** - Well, I'm flexible about it, Dr Goodwin.

**Dr GOODWIN** - Do you have any figures on the numbers of students that are home-schooled and also perhaps the reasons why people choose to home-school their kids and the outcomes compared to normal schooling?

**Mr McKIM** - I can certainly answer the first of your questions. At the end of the 2010 school year we had 624 students registered for home education. Interestingly, it is trending up quite consistently and if you would just indulge me to go through the figures from 2000 they are: 423; 446; 469; 464; 500; 489; 520; 526; 567; 556; and 624, so that is a significant upwards trend over the last decade. We fund the Tasmanian Home Education Advisory Council and that provides registration for home educating parents. Look, it's a whack of work to make a decision to educate a child at home; it's no easy out for parents who just do not want to get up early to drive their kids to school or whatever. I can tell you there is a lot of work involved and we are very serious about making sure that if someone is educated at home we do everything we can to make sure they get the kind of education we expect to be delivered at home. I have a representative on the Tasmanian Home Education Advisory Council and the role of that officer who is a DoE staff member is to provide advice to me on council issues as required.

**Dr GOODWIN** - I guess it's possible, if you do go down the path of closing some schools on the list, that some parents may well choose to home-school their children.

**Mr McKIM** - That's possible.

**Dr GOODWIN** - There was a case in the *Mercury* of a student who required regular medication so presumably it would be difficult for that student perhaps to go to another school and receive the level of care required, or the travelling or whatever.

**Mr McKIM** - I might just stop you there, Dr Goodwin. All schools manage students who have medical challenges, whether it's anaphylaxis or anything else there are management capacities there to deal with those situations.

**Dr GOODWIN** - I appreciate that. It wasn't so much the capacity of the school to manage the student, it was the capacity of the parents to get the student to the school. I was just thinking there may well be students in that situation if you were to go down the path of closures.

**Mr McKIM** - It is certainly possible if there were to be any schools closed that some parents may decide to apply to educate their children at home. I could go through the monitoring process here for you but it would probably take me a minute or two because it is a pretty stringent process

that we go through. Families are entitled to apply to have their children educated at home and we go through a process of assessment.

**Dr GOODWIN** - What's the average cost to the department associated with home schooling?

**Mr McKIM** - I don't have a per-student cost here. The funding for the council for 2010-11 was \$188 556 and I am advised that is the total cost to us and intuitively that would be a significantly cheaper price per student than providing a school infrastructure for those students. My other advice from Jenny Gale is that we assist them around some of the NAPLAN testing and so forth but that is a very small cost we would absorb within the normal activities of the department.

**Dr GOODWIN** - And you're not aware of any research on the benefits or otherwise of home-schooling?

**Mr McKIM** - No, I'm not.

### **1.3 Education performance services -**

**Mr GAFFNEY** - For the benefit of the members, Minister, could you give a brief overview of what performance services mean, what it includes and involves? What are the goals of that line item?

**Mr McKIM** - I recently released Tasmania's education performance report for 2010 and effectively what they do is report on a whole range of criteria ranging from how we're going in things like Early Years, literacy and numeracy, student participation, school improvement and equity of outcomes. There is the previous minister's message in the 2009 one and I think the department did a great job in managing to get a message and signature from me in the 2010 one even though I released not very long after I became minister. The 2010 report showed some good news in Tasmania's schools and also some areas where we acknowledge we can continue to do better. Basically performance services is about monitoring and measuring student outcomes in the pre-compulsory and compulsory years of schooling including literacy and numeracy. It also provides statewide programs for assessment and statistical moderation against the standards of the Tasmanian curriculum.

**Mr GAFFNEY** - This next question is a bit more specific. A decrease of \$1 068 000 is quite significant and well over 50 per cent of that budget and the explanation for that decrease is that it reflects budget savings strategies realised on the operation of boards. Could you tell me which boards you are referring to, what their role was and how that is going to be managed with \$1 068 million less funding?

**Mr McKIM** - I will just take advice on that. Mr Gaffney, well done - I am advised you have uncovered a mistake in the budget papers.

**Dr GOODWIN** - Does he get a prize for that?

**Mr McKIM** - He gets a gold star.

**Mr FINCH** - He can put himself to the top of the class now.

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**Mr McKIM** - Yes, a gold star and five early minutes. If you look at line three in table 3.3, education performance services, the figure in 2011-12 should be \$1 657 million and then through the out years it would be a figure commensurate with that.

**Mr GAFFNEY** - So with that there is a decrease of \$400 000 and that was because the realisation of the boards. That was the comment in the notes. What boards have been decreased and how does that affect the reports that come to you?

**Mr McKIM** - These are generic savings related to non-school services and that is because as part of the 2011-12 budget the agency is implementing a range of savings strategies and one of these is to look at gaining efficiencies through revised organisational and operational structures. As I say, some of it does relate to the boards and the rest of it is generic savings from non-school services.

[5.30 p.m.]

**Mr GAFFNEY** - What would those non-school services be, for example?

**Mr McKIM** - Phones, cars and things like that.

**Mr GAFFNEY** - So it is just across the board?

**Mr McKIM** - Yes.

**Mr GAFFNEY** - Thank you for that. If you could go to page 3.10 and the table on performance measures, there seem to be a couple of discrepancies for figures. For example under reading, the year 3 actual reading age in 2009-10 is 93.8 and the target for 2011-12 for year 5 is 92. So our target group for that cohort is 1.8 per cent less than what they are currently at the moment. For year 5 in 2009 to 2012 that is a 5 per cent increase, which is a really good target. I like that. But if you go down underneath that again, in year 7 to year 9, we have gone from 94.3 in 2009-10 actual to a target that is less than what we are actually achieving in 2009. I just want to know the explanation for that. I do not see why our targets are less than our actuals.

**Mr McKIM** - I am going to ask Jenny to answer. I believe she can shed some light on that.

**Ms GALE** - Just briefly, the targets are set in relation to that year test not to the year group moving through from two years before to the next two years and so on. It is the same cohort but children do change in it. Children come in and out and so on. The tests are not necessarily internally consistent across those years. We set it from the particular grade level rather than from year 3 to year 5 and to year 7 and to year 9. So it is just at the grade level test. It sets a target.

**Mrs TAYLOR** - It is linear -

**Ms GALE** - However we now have the value-added data for the first time this year from year 3 into year 5 and year 7 into year 9, so that may be something that Educational Performance Services can look at in terms of future targets. But we will have to analyse the data first and collect data over a couple of years before we could see whether we could use that instead of these, which are Tasmania Together targets, as I understand it.

**Mr GAFFNEY** - So that explains then why the numeracy one for year 7 against year 9 from 2009 to 2011 is similar. However for year 9 the 2010-11 target is 95 and the 2011-12 is 94, so it looks to me as though somebody has pressed the wrong button.

**Ms GALE** - I am not sure.

**Mr GAFFNEY** - This is something I would like looked at. The other thing is down at the bottom where it has 'expected literacy outcomes for prep students', in year 2010 and 2011 both numeracy and literacy are the same. Because we are putting a lot of funding into our early years education, which I think is terrific, one would expect that Education Performance Services should be targeting to try to improve that because of the extensive work that we are doing. I am not overly fussed because it is just statistics. But I would like there to be a bit more work, if possible -

**Mr McKIM** - A bit more ambition in the targets.

**Mr GAFFNEY** - I think so to reflect what we are trying to achieve.

**Mr McKIM** - I am very happy to take that on board. As you acknowledged, we are investing significantly into early years and I actually think we are starting to see that investment, which has been in existence for two or three years at least, starting to show through in some of the numbers now. As you know, we have invested an extra \$2 million in Launching into Learning in our current State budget, even in these tough financial times. I am very hopeful that that investment that Tasmania is investing in very significantly in these areas will flow through, because you really do get the best bang for your buck in the early years.

**Mr GAFFNEY** - That is all, thanks, chair.

**CHAIR** - We will have a break now. I will suspend the hearing and resume back at the table at 5.50 p.m.

**The committee suspended from 5.35 p.m. to 5.50 p.m.**

**CHAIR** - Welcome back to the table for what I expect is the last leg of this education journey, Minister. I believe you have an answer in relation to a question asked earlier today.

**Mr McKIM** - Madam Chair, you asked me a question in the Corrections portfolio on whether or not the DoE employs people who have been in prison. Effectively, the answer is that that would be assessed on a case-by-case basis and it would depend on what the person was in prison for, so there is no automatic rule-out from the department employing someone who has been in prison, however we do a good character check and all school-based employees are required to pass the good character check. We do those on an individual basis and the department also, as part of the good character check, undertakes previous employment and disciplinary checks. With Tasmania Police we do a national criminal history check and forward the national police certificate to the department and an assessment is made of that and any other information obtained via the checking process. So we go through a range of processes around the good character check which, as I said, is required by everyone in our schools, and then there are also Teachers' Registration Board checks that have to be passed before someone can be registered as a

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teacher in Tasmania. So the short answer to your question is that there is no blanket prohibition on the department employing someone who has been in prison, but -

**CHAIR** - But it would be hard to actually make the good character check if you had done time in prison.

**Mr McKIM** - Well, again, my advice is that it depends what the person was in prison for but certainly you would expect that convictions for serious crimes would make it very difficult if not impossible to get a good character check but consideration is given to the nature and frequency of offences, the relevance of the offences, the position and age at which the offences were committed, how recent the offence was, the degree of rehabilitation, general character since the offence or offences as related to employment, and whether the offence or offences are still crimes, because of course crimes are sometimes abolished by legislative change. All of those things are considered and if there are any relevant charges or convictions the applicant will typically be contacted by the conduct investigations unit within our department and asked to provide a written statement outlining the circumstances and background surrounding each relevant charge or conviction and further assessment will then be made prior to a clearance being finalised if in fact it is. I can say to you very clearly that we do assess these things very carefully and we do it on a case-by-case basis, cognisant of the circumstances relating to that particular person.

**CHAIR** - Thank you, Minister, I appreciate that. Would you mind providing at your leisure a list of the grants and financial assistance under 1.5 of this output group, where that \$7.568 million is allocated? I am happy for you to table it.

**Mr McKIM** - This will take 10 seconds at most - it is child care grants; senior secondary accommodation allowance; special bursaries; spectacles; STAS, which is the student assistance scheme; and the sundry education grants scheme. I can give you the breakdowns for those in dollar terms if you are interested.

**CHAIR** - Not necessary.

**Mr GAFFNEY** - Has there been an evaluation done of the water orientation streets live program and if so, what was the outcome of that evaluation?

**Mr McKIM** - The short answer is yes, the trial has been completed and a full report evaluating the trial is currently being undertaken. The Launch into Learning water orientation trial reached 76 schools, with 15 in the south, 24 in the south-east, 19 in the north and 18 in the north-west. The budget allocation of \$350 000 was additional funding over and above the recurrent \$1.4 million budget. I have also been given by the department some further information on the trial water orientation program but my guess is that Mrs Taylor knows most of this information and, as I have said, an evaluation report is currently being prepared. This was a trial, if you like, a one-off investigation of whether this approach to water awareness would be worth continuing with and I look forward to receiving the results of the review in due course.

**Mr GAFFNEY** - For my information, if you do get a report that comes back saying this program is very good et cetera and should be put forward, I know it is a budget cutback situation but what capacity is there for 2012-13 to say, 'We need to reinstate this because of the feedback we've received that this is a very important program'?

**Mr McKIM** - Obviously we are dealing with a large agency here with \$1.3 billion approximately of expenditure. If we received a report that was positive then we would certainly consider that as we move forward and develop the agency's budget strategies for the next financial year. There is generally some flexibility in agencies to deliver budget outcomes and we can make decisions but for every dollar you spend in one area unfortunately that's a dollar less you get to spend somewhere else. That's the way these things work so we'd need to identify what we didn't want to spend that money on.

**Mr GAFFNEY** - Does disabilities funding come under this one or is that in a different package under Education?

**Mr McKIM** - That was 1.1 so I think we've gone past that but I'd be happy to go back and take questions.

**CHAIR** - Is there a specific question to that area?

**Mr GAFFNEY** - Do these grants and financial assistance cover disabilities funding?

**Mr McKIM** - No, funding around disabilities is in output 1.1.

**CHAIR** - Before we leave this output group obviously Early Years now belongs to the Minister for Children so the funding on that line item is under the scrutiny of that minister.

**Mr McKIM** - Yes. Launching into Learning is still a program that I have responsibility for but the majority of funding for Early Years is the Minister for Children's responsibility.

**CHAIR** - So that comes out of the Early Years budget?

**Mr McKIM** - Output 1.4 is being scrutinised by the Minister for Children, Ms O'Byrne, and Launching into Learning is in output 1.4.

**CHAIR** - Right, because it's not in the list here but of course it is over the page and then identified whereas we normally would have had that in this area.

## **Output group 2 Post-compulsory education and skills development -**

[6.00 p.m.]

**Mr GAFFNEY** - The \$20.430 million increase is primarily due to the expenditure from the national partnership agreement between the department and the Australian Government. It looks as though agreement will continue until the end of 2012-13, just by the funding that is available, and then it looks as though that funding is not there. I understand that you may have the capacity to reapply, but how does an entity like a department handle \$14 million out of a program if there is no extra funding to come into that? When you are managing students through the Skills Institute and different working groups and whatever, how do you cater for that if you do not get funding?

**Mr McKIM** - Malcolm, could you take that?

**CHAIR** - Welcome, Malcolm, I was hoping you were going to get an opportunity to speak.



**Mr McKIM** - He has been very patient through this and my understanding is that he may be able to assist us.

**Mr WELLS** - I think that the specific details of this fall within Skills Tasmania given that it relates to the Commonwealth funding that they manage and in answering my first question, that really belongs to Skills Tasmania to provide a response and I think Mike, who has just arrived, can provide further light.

**CHAIR** - We are not at Skills Tasmania yet, which is 2.5.

**Mr WELLS** - If the question is about skills development contestable funding, then I think the question is best directed to Skills Tasmania.

**Mr McKIM** - This is Mike Brough from Skills Tasmania.

**CHAIR** - Welcome, Mike.

**Mr McKIM** - I am sure he will do his best to answer but you probably need to ask the question again, Mr Gaffney, so that Mr Brough could hear it. I am sorry, Mike, to just launch straight into it as soon as you walk through the door but thanks for coming along.

**CHAIR** - Mike, I can tell you that other members have sat at this table for about four hours and did not get invited to answer a question, so I think you are doing pretty well.

**Mr BROUGH** - I feel privileged.

**Mr GAFFNEY** - There is an extra \$20 million going into 2011-12 for the contestable funding and on past figures there is a significant sum in 2012 and 2013. Obviously the funding appears to run out from that grant capacity in 2013-14 and on. If there are expectations through that funding that you are providing this for students for the next two years and then suddenly you find you have \$14 million less, how does an organisation smooth that over for three or four years or do you just put all your eggs in those two baskets hoping to get more funding for years three and four? How do you make that judgment?

**Mr BROUGH** - That is a difficult judgment to make, Mr Gaffney, but the additional funding does relate to the Commonwealth-funded Productivity Places program that provides, together with State funding, some \$40 million over a four-year period of time. The way in which the funding is flattened out reflects a trajectory that we have with the Commonwealth. Qualifications funded under the program include from the low-level certificate 1 qualifications right through to advanced diploma. The diploma and advanced diploma courses typically run for two to three years so a commitment made, for example, in 2012-13, might have a tail of two or three years. We have made some judgments about the trajectory over that time.

The Commonwealth Government in the Budget just handed down did commit to additional funding in the out years and there are still some negotiations to be done through a national partnership agreement on how we access those funds.

**Mr GAFFNEY** - So you are hopeful that you may be able to continue with some of the programs through that?

**Mr BROUGH** - Through a combination of tailing off the existing funding and the negotiation of a new national partnership, we are confident, I think, that we can continue to provide the level of funding for skills development that we have until recently.

**Mr DEAN** - In relation to the new complex which used to be the ATC complex at Inveresk, how does that fit in with training to develop knowledge and skills? Minister, does that fit here or should it be elsewhere?

**Mr McKIM** - That is a very good question, I am not sure whether it fits here or not, Mr Dean.

**Mr DEAN** - I am not either. It seems to me that it might fit here.

**Mr McKIM** - It does fit here and I think Liz Banks can assist us with this.

**Mr DEAN** - Where does this fit in now to the training curriculum and what sort of service is it providing, who is it for and how is it administered?

**Ms BANKS** - There are two parts to the answer; one is about the building itself and the other one is about the learners in it. First of all the building is a facility of the Polytechnic now and is managed by them. However, within the building there are students from years 9 to 12. Some of those students are enrolled in Polytechnic courses and others are enrolled in a big-picture model of schooling through their local high schools, which may be any one of the city high schools in Launceston. So it is a genuine partnership to offer an alternative for some of our students. It is very pathways-based and the model is also being trialled in two other sites that I can think of across the State. We are monitoring it so in the ATC campuses in Launceston the monitoring will be occurring through those city high school principals. I am very hopeful that it is delivering for a particular cohort of students we possibly weren't engaging as well as we might have done in the past.

**Mr DEAN** - Right. So that building now belongs to the Education department?

**Mr McKIM** - The Polytechnic is back within the department now.

**Mr DEAN** - Given or sold to or whatever.

**Mr McKIM** - Yes, it is back within the department now.

## **2.2 Tasmanian Polytechnic -**

**Dr GOODWIN** - Minister, when the Polytechnic came into the department it came along with a significant deficit of \$14 million. The department wants to achieve a 2.5 per cent contingency saving from the Polytechnic and I am just wondering how this is going to be achieved.

**Mr McKIM** - Do you mean the efficiency dividend?

**Dr GOODWIN** - Yes, and recovering from the deficit as well.

**Mr McKIM** - Firstly, in relation to the efficiency dividend, you are right, we have required as part of this Budget an efficiency dividend from both the Academy and the Polytechnic of 2.5 per cent. Ultimately that will be a matter for those parts of the department to work on but we will provide support to the Polytechnic people as they work through how they are going to deliver the efficiency dividend that we have decided to require from them as part of our budget savings strategies.

In relation to the Polytechnic and its financial situation, I have some comments here as at 31 December last year but they are probably superseded by the annual reports. What we have said about the Polytechnic situation is that because they are back within the department we have the capacity under the department's broader budget framework and strategies to make sure that there is no viability issue with either the Academy or Polytechnic. We will be working hard with both of those organisations to make sure that they not only maintain their viability but continue to deliver the services that we expect from them.

**Dr GOODWIN** - So you are confident that they will be able to stay within budget?

**Mr McKIM** - Yes, I am confident because we will work with them to assist them to do that.

**Dr GOODWIN** - There have been some reductions in international student enrolments for the Polytechnic because of the challenges posed by the Australian dollar and also the tougher migration laws. Is there anything in particular being done to try to attract more international student enrolments?

**CHAIR** - I have the sense that Mr Wing has not left us at all.

**Mr McKIM** - No, we have had the Launceston Prison raise its head this morning and international students this afternoon, so Mr Wing will be very pleased that the Legislative Council has -

**CHAIR** - Picked up the baton.

**Mr McKIM** - Absolutely. My advice is that the decrease in 2010 is in line with a national trend and that the decrease is expected to continue through 2011 and flatten in 2012. In terms of strategies that may be in place at the Polytechnic, I do not have any advice on any strategies that may be in place, although I believe that Mr Wells may be able to assist us with details around attraction. If I could preface any comments he would like to make by saying that work is being done nationally to counter the national trend and that relates to the Australian education international marketing activities being transferred to Austrade. COAG also has the International Students Strategy for Australia which outlines 12 initiatives to address key areas, including making sure that we make ourselves as attractive as possible. So there are strategies being put in place at a national level.

**CHAIR** - I hope there is something left for Mr Wells to say.

**Mr WELLS** - That is okay but thank you. The International Strategy for Students that you have referred to, minister, does guide the work of the education round table.

**CHAIR** - No, don't talk about round tables.

**Mr WELLS** - Sorry.

**Mr McKIM** - No, it is all right, carry on.

**Mr WELLS** - We have an international education round table working party that guides the international direction in terms of what is required right across Australia to develop strategies to improve the number of international students coming into the country. In addition, the round-table working party is looking at the application of local strategies here in Tasmania. In 2009 I think in the capacity as Premier, then Premier Bartlett provided that round table working party with \$1.2 million over three years to resource the strategies over the three-year period. The round table reconvenes again I think this week and has convened a couple of times this year to review strategies in light of what has occurred and to develop strategies that will make this destination a more attractive destination. Some of those strategies are about what we need to do to improve the experience of students whilst they are here. Other elements of the strategy are in relation to our marketing attempts. We have a structure there, we have a resource and we have a time frame over three years, and that round-table working party includes representatives from both government and non-government as well as other relevant industry and community members.

**Mr McKIM** – Thank you, Mr Wells.

**Dr GOODWIN** - One last question in relation to the Risdon prison and the training that the Polytechnic provides to the prisoners there.

**CHAIR** - That we have already talked about.

**Dr GOODWIN** – Yes, we have. Does the funding for that come out of the Education budget?

**Mr McKIM** - Yes, it does.

**Dr GOODWIN** - Do you have an amount for that?

**CHAIR** - I am sure Mr Finch does.

**Mr McKIM** – Yes, I am sure he does. There are two current funding arrangements between the two organisations. It is equivalent to between \$250 000 and \$300 000 per year but of course it is delivered effectively in kind and it is not purchased by the TPS. So it is delivered as part of the Department of Education's core mandate to provide educational services to Tasmanian people. If I could really quickly go through this list of courses we are offering, Dr Goodwin, because I know you have an interest in this: Cert II in business, Cert IV in financial services, Cert II in agriculture, Cert II in engineering production technologies, Cert I in food processing, Cert I in food processing and retail baking, Certs I and II in hospitality, Cert I in hospitality, Cert I and II in construction, and Certs III and IV in community services, as well as a number of shorter courses that I mentioned during the corrections Estimates this morning.

**Dr GOODWIN** - Do you have enrolment figures? Does that come under this?

**Mr McKIM** - I am not sure whether the Polytechnic or the prison would keep those numbers. I reckon it would be the Polytechnic - yes, I am getting a nod there from Mr Brough. I

am not sure we have those figures with us but I am happy to try to source those enrolment numbers there and provide them to the committee.

**Dr GOODWIN** - Thank you.

### **2.3 Tasmanian Academy -**

**CHAIR** – We will move on now to 2.3, the Tasmanian Academy.

**Mr GAFFNEY** - The increase in the Tasmanian Academy output is apparently due to the amalgamation of the Academy with the Department of Education and the reclassification of entitlement enrolments from the Polytechnic output to the Academy output. What is meant by the 'reclassification of entitlement enrolments' and what is its cost?

**Mr McKIM** - Very good question. I might ask Mr Finch.

**Mr ANDREW FINCH** - Basically what happened with the 2010-11 budget was that it was prepared at a time when we thought the full implementation of the Tasmania Tomorrow reforms would go ahead. Basically we had to try to make the budget look like what we thought the entities were going to look like as the Polytechnic and the Academy were going to be separate entities at that point. Then the decision, through that consultative group that was formed, was made to change the format again so that those entities would come back into the Department of Education. We then had to go through and recast the budget. We have tried to get the 2011-12 figures accurate. The important point is that the 2010-11 budget is not really a valid comparison, because those entities were going to look different from what they are now. The emphasis was on getting the 2011-12 budget accurate and bringing those entities back into the department.

There are some pretty major financial management changes. Being separate entities we would have supported the entities through grant payments; whereas we now have budget allocations within the department and pay all the salaries and other costs through the department rather than through grant payments. We also bring into account their other revenue sources, things that do not come from government directly or funds that are part of contestable funding through Skills Tasmania that Mike Brough talked about before, and also some non-cash transaction such as depreciation of assets and lease liabilities that need to be brought to account too. The key point is that 2010-11 is a misleading picture, but for 2011-12 and moving forward we are getting the budget accurate to reflect the entities as they operate now.

**Mr GAFFNEY** - Just for my information, I suppose: what are the student and staff numbers in the Polytechnic and in the Academy? It is interesting how the Polytechnic is \$14 million budgeted. I am interested to know how it works.

**Mr McKIM** - We will just look up those figures. Are you after students or what?

**Mr GAFFNEY** - Students and staff would be handy. I want to know which is bigger and the funding -

**Mr McKIM** - The issue we have, Mr Gaffney, is they are all in separate briefing notes so we do not have them all in one place.

**Mr GAFFNEY** – If you can take it on notice.

**Mr McKIM** - We will take it on notice.

**Mr GAFFNEY** - I want to see what the money is spent on, how many students -

**Mr McKIM** - I can give you the 2011 figures in terms of students: in colleges there are 7 607.

**CHAIR** - Is that before Easter or after?

**Mr McKIM** - Yes, that is February census, that is right, thank you.

**Mr GAFFNEY** - It is the calendar year you are talking about?

**Mr McKIM** - Yes, it is February of this year - so 7 607 in colleges and in the Polytechnic 1 076, and they are FTEs, full-time equivalents.

**Mr GAFFNEY** - So a 7:1 ratio?

**Mr McKIM** - Yes, approximately.

**Mr GAFFNEY** - When you look at the funding, it is the nature of the beast that the Polytechnic is.

**Mr McKIM** - These are only senior secondary students. I can give you the staff head count. Total head count in the colleges as at March 2011 was 956 and the total head count in the Polytechnic, including shared services, as at March this year, was 933.

**Mr GAFFNEY** - Is that an area that you will need to look at when you are looking at the funding for those 1 000 staff and 1 000 students compared to 7 000 staff and 1 000 students?

**Mr McKIM** - The point has just been made the at the Polytechnic includes shared services; there are 244 in shared services so we are down under 700 purely in the Polytechnic.

**CHAIR** - It is still a significant ratio difference. Minister, are you comfortable with your answer, and Mr Gaffney are you comfortable with the answer?

**Mr McKIM** - I think I was halfway through saying that these are the senior secondary students at the Polytechnic so there is a vast number of older students at the Polytechnic that are not caught in this.

**CHAIR** - The mature-age students.

**Mr DEAN** - I am not sure if Michael covered this but if he did you will tell me and I will read about it. The increase here we are told reflects the impact of the amalgamation of the Tasmanian Academy with the Department of Education as at 1 January 2011 and the reclassification of entitlements and enrolments. It is a huge increase, and I guess the amalgamation into the Education department takes a fair amount of that money, but why is that large amount involved there and what are the reasons for it?

**Mr McKIM** - I am advised that you have to look at this in conjunction with post-compulsory education in schools, line four. There is a significant reduction in post-compulsory education and skills.

**CHAIR** - I think you might have taken Mr Finch's question now.

**Mr FINCH** - I have another one.

**Mr McKIM** - That now only reflects students in the district high schools.

**Mr DEAN** - I still ask why does it need all of that money and expenditure in that area? I am referring to page 3.7, where it says it reflects the impact and amalgamation of the Tasmanian Academy into the Department of Education and also in the area of entitlements and enrolments.

**Mr McKIM** - As Mr Finch has already said, the 2010-11 costs were a previous structure, there has been legislative change since then and the 2011-12 figures and onwards reflect imported significant extra costs into this line item that were not previously there.

**Mr DEAN** - Such as?

**Mr Andrew FINCH** - As I mentioned before, things like leave liabilities, employee entitlements and long service leave would have been accounted for in the budget before within the Polytechnic's books because they were a separate entity. There are also things like depreciation of assets because we now need to recognise the assets that have been taken on but are owned by the Polytechnic under the Department of Education and we have to depreciate those assets, so there is an expense of running an asset each year and it is quite significant. So some of those costs are actually not even of a cash nature, they are on a non-cash or accrual basis and we had to bring those on, whereas before they would have been part of the productivity zone accounting books. Sorry for the technical wording, but that is the reason.

**Mr DEAN** - It's probably worthy of putting that in there somewhere, just to explain that just so you have an understanding. The entitlement to annulments, what's that all about?

**Ms GALE** - Every student is entitled to two years' post-year 10 education and training; every person is entitled to that so most people take that in time and at the end of year 10 they move through year 10 to 11 and 12, and that is their entitlement. Some people may take it later, so they may for example work, go off and do other things and come back, but they are still entitled to two years' post-compulsory education and training, so that is an entitlement for Tasmanians.

**Mr DEAN** - Right, I think I understand now.

#### **2.4 Post-Compulsory Education in Schools -**

**Mr FINCH** - Yes, I understand the decrease in this circumstance that is explained in note 8, but there is a public perception of an attempt at change that has failed. Is it possible to quantify the overall cost of that failure, or are we just -

**Mr McKIM** - Which specific?

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**Mr FINCH** - Just the failure of the academies and the polytechnics and that sort of thing, or do we just cut our losses and move on?

**Mr McKIM** - I am not sure if we have any figures or data on that, but Jenny may be able to help us, who was in the unenviable position of acting as head of department during a number of the more recent negotiations. I am not sure if you are able to assist us in that, Jenny.

**Ms GALE** - I would need to find the document here and I haven't got it right in front of me now. I might be able to find it as I am speaking, but in relation to your assumptions, Mr Finch, that that was a failure, the attainment results that have come out of 2010 show in fact vast improvements in the number of students who have qualified for a TCE, the number of students studying a VET program and the number of students completing two years' full-time post-compulsory education and training. So there have been some successes in the very purpose of Tasmania Tomorrow reforms so I guess I would argue that the assumption that prefaced your question perhaps may not be quite correct.

**Mr FINCH** - But I am suggesting the public perception is that the administration and mechanics of what was to be set up there failed. .

**Mr McKIM** - What has happened, Mr Finch, as you know, is that a framework change was made around post-year 10 education in Tasmania that was called Tasmania Tomorrow. After the 2010 election what basically happened is that there was a negotiation between the then minister, Lin Thorp, and the Greens spokesperson, Mr O'Halloran, who is now Parliamentary Secretary for Education, and as a result of those negotiations legislative changes and other things were agreed between the two parties and then the legislation was brought to the Parliament, passed through both Houses and received royal assent.

**CHAIR** - In other words, you are saying you are part of the perception.

**Mr McKIM** - Well, I am not going to cast aspersions, but what I can say is that the Greens did not vote for the original Tasmania Tomorrow; we were the only party not to, so I reckon we can sit here in a very relaxed way.

**CHAIR** - I told you so.

**Mr McKIM** - I never use 'I told you so' in politics, but we did.

**Mr FINCH** - I wasn't setting up the opportunity for you to say that.

**Mr McKIM** - No, that's all right. We then participated in a constructive process to really bring the Academy and the Polytechnic back within the department, which has now occurred as a result of those legislative changes. In terms of the cost of all that, I don't think we can provide you with specific costs.

**CHAIR** - Maybe tomorrow?

**Mr McKIM** - It is possible but I will have to take that on notice.

**Mr FINCH** - Just maybe, if it has ever been quantified, to say we have expended a lot of - not only energy - but a lot of finances here to try and develop this, and it hasn't succeeded.



I would just like to talk about the circumstances we find ourselves in now with the decrease in the Budget back to this focus that now comes back on the senior secondary students that are in basically district high schools for post-compulsory education. Can you tell me about those services that are now provided? We have heard some talk about the fact -

**Mr McKIM** - Are you talking about vocational and educational training?

**Mr FINCH** - No, post-compulsory education in schools. It says, 'The output focuses on delivery of senior secondary education to students in district high schools'. At Exeter there is a proposition that they stay on for years 11 and 12 at the Exeter High School. That is the proposition, so I am just wondering whether that is gaining favour, whether that might represent some sort of future. But what is actually occurring there for these students now?

**Mr McKIM** - What happens, Mr Finch - and this is important stuff and an important issue, particularly for many rural and remote communities in Tasmania - is that, when requested by district high schools, the Polytechnic will work in partnership with the school where possible to support the delivery of vocational and educational training programs to both adults and year 11 and 12 students enrolled at the school. What the Polytechnic did in 2010 was to develop a program to transition regional and rural VET programs to the Polytechnic. That was phased in during 2010 and has continued into 2011 through the delivery of the programs in the newly opened trade training centres.

You mentioned Exeter. The schools that I am advised have been to date involved in this program are Smithton High, Scottsdale High, Winnaleah District School, St Helens District School, St Marys District School, Port Dalrymple High School, Dover District School, Tasman District School, Rosebery District High School and Mountain Heights School, which is in Queenstown, and we are currently, through the Polytechnic, delivering about 50 VET programs to support skills and training for students enrolled in years 11 and 12 in partnership with those schools.

If Exeter High School has made a decision that it wants to be involved I am not aware of that, but they may well have done so, and that would not necessarily come to my attention in the course of my day-to-day oversight of the department. If they have made that decision, presumably they either will have approached or will soon approach the Polytechnic, which will be able to respond to them in due course.

**Dr GOODWIN** - I just wanted to ask a question about adult education.

**Mr McKIM** - It is in a different output.

**CHAIR** - We are going to stretch the rules, because we can.

**Dr GOODWIN** - I have some constituents who are concerned about adult education and particularly whether there will be any cuts to it and -

**Mr McKIM** - We have announced some fee changes as part of the Budget. Just in overview, they are to the leisure programs that are run. We have moved to a cost recovery model on those programs as part of our savings strategy but, importantly, that will not apply to the courses in work and life skills and things like literacy and numeracy, which we do not regard as leisure

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programs, quite reasonably. There will be fee increases for leisure and lifestyle classes from 20 August 2011, and that is regrettable. However, as I have previously said in a slightly different context, we have to make some strong decisions in education, as all agencies have.

**Dr GOODWIN** - In terms of the leisure and lifestyle programs, is there a specific list somewhere of what is covered, or a definition?

**Mr McKIM** - Siobhan Gaskell is here. We have a long line of people here, and I am sure Siobhan can help us out a little more in this area. Thank you, Siobhan.

**Ms GASKELL** - The leisure and lifestyle and working life skills I guess are areas that potentially you can argue would overlap. The primary focus of the work and life skills is second-chance adults returning to work, and it is really around basic skills, IT skills. It also ties in with the adult literacy program that we are running. At that end of the spectrum, the leisure program is much more around what you would regard as traditional adult education programs of the past - basket weaving, photography and the like.

**Dr GOODWIN** - And music?

**Ms GASKELL** - Yes.

**Dr GOODWIN** - Languages?

**Ms GASKELL** - Yes.

**Dr GOODWIN** - Golf, dancing, all those things.

**Ms GASKELL** - All of those things, yes.

**Dr GOODWIN** - I must commend the adult education course in golf. Moving on, is there a total budget for adult education? How does it work in terms of the funding that is provided?

**Ms GASKELL** - The funding that we are getting for this year, we have \$700 000 to apply to the work and life skills program, and that will be through the coordinators that we have around the State. They will start to ramp up building those work and life skills programs and working with literacy coordinators to engage people there in those sorts of programs. In terms of the leisure program, that will be totally cost recovery, so it is really around structuring a program that the clients want to buy and ensuring that we have adequate enrolments per course that we run. We try also to minimise the infrastructure costs, the building costs and the like to reduce as much as we can the cost of running any of the courses.

**Dr GOODWIN** - Just in terms of the infrastructure and building costs, some of those courses are delivered out of adult education facilities. Will there be any changes to those facilities or will what we already have be maintained? What is the situation there?

**Ms GASKELL** - Like owners of buildings, we constantly review their usage. We are working at the moment in Launceston. There are two facilities there: could one do the job? In that way we can reduce the costs. I guess as much as we can we will use other infrastructure within the department, sometimes through the colleges, and the Polytechnic may provide spaces

as well. One of the benefits of all of them now coming under the one umbrella is that you can look at the straight cost recovery levels and not profit taking.

**Dr GOODWIN** - So there could well be some changes to the delivery of adult education courses in the future, as well as the cost-recovery issue that you have mentioned?

**Ms GASKELL** - It will come back in the end to what the clients want to buy and what courses we can find tutors for, and those offerings. If we do not get enough people signing up for courses, obviously we cannot run them. We will always seek to run them through, in essence, the right venues, but as cheaply possible because we try to keep the costs down.

**CHAIR** - Minister, I will invite Siobhan to stay at the table because we are not entirely at that output group, as you can appreciate; we were just being generous. Mr Farrell, would you like to move on now to Skills Tasmania?

### **2.5 Skills Tasmania -**

**Mr FARRELL** - Minister, Skills Tasmania is responsible for the Productivity Places Program; is that correct? I believe that has been going quite well and you have some additional funding for it. I notice in the media release that this will give an opportunity for 3 500 people to enter the workforce or obtain the qualifications and skills they need to progress in their jobs. I just wonder what the percentage break-up of that was as regards people getting jobs from the program and people who use it to advance their existing jobs, basically.

**Mr McKIM** - I will just ask Mr Brough if he can assist the committee here.

**Mr BROUGH** - I do have some data, Mr Farrell, that might assist. The program itself is divided into two components, one of which is for people currently in the workplace, for existing workers. There is a total over the four-year life of the program of 8 000 additional qualifications available for people who are currently in the workplace. In terms of the other components of the program, those for job seekers - those who are not currently in employment but seeking employment - over the four-year life of the program, a total of 4 313 have qualifications available.

**Mr FARRELL** - Thank you. The second question relates to your major initiatives seeking non-State government revenue growth, this initiative will leverage from State government funding to significantly lift the overall amount of training it conducts in Tasmania. I am wondering if you could explain that a little further for me.

**Mr BROUGH** - Certainly Mr Farrell. For some time there has been a debate within the vocational training sector around the 'who pays' question. The imperative is that in the circumstances of constrained government funding we need to get others to contribute, and the others are typically industry individuals. What we have found with the productivity basis program for the existing work component is that there is considerable opportunity to leverage contributions with industry, and we have been able to leverage contributions from between 10 per cent and 50 per cent of the cost of training. And certainly in terms of negotiations with the Commonwealth around a new national partnership, that is something that they have put on the table to see where we can get additional funds into the skills development system.

**CHAIR** - Any other questions in relation to skills? If not, we will move to 2.6, Tasmanian Qualification Authority.

## **2.6 Tasmanian Qualification Authority -**

**CHAIR** - Minister, in last year's scrutiny process the Auditor-General's report was referred to in which it was recommended that the TQA's attainment data relating to student engagement work should continue and the former secretary of the department, John Smith, informed the committee that that would continue. Could the committee have an update on those works at this point? You may not be aware of that program, minister.

**Mr McKIM** - No, I am not off the top of my head aware of that program. I am not sure if Jenny may be able to assist us with any further information here in relation to this specific question and the commitments made by the previous secretary, Mr Smith.

**CHAIR** - Do you recall that conversation?

**Ms GALE** - The emphasis, as I understand, was that the attainment data has much more relevance than the enrolment data because we are trying to improve the qualifications and the skills profile for Tasmania, and the TQA continues to collect attainment data. I think that is probably what you are referring to. I can provide you with some figures on the attainment for 2010 in comparison to 2009, if that is helpful.

**CHAIR** - That is fine. I was particularly interested to know whether that had continued, given that the Auditor-General had strongly supported that.

**Ms GALE** - Yes, it has continued and it will continue to be collected annually.

**CHAIR** - Thank you. Obviously there has been a slight decrease. Does that mean there will be more work effort through that department?

**Mr McKIM** - We always do everything we can to deliver the best outcomes that we can.

**CHAIR** - Any other questions in relation to the TQA? If not, we will move on to 2.7, grants and financial assistance.

## **2.7 Grants and financial assistance -**

**Mr DEAN** - I note the decrease and I also note it is a budget savings strategy in that area. What does that really mean? Who is going to miss out here? This is an important area containing child-care grants, sundry grants, fees and scholarships, student assistance, bursaries. Is it envisaged that there will be a natural type of drop off in funding required in these areas and/or will it be an enforced one because of the Budget recovery that is necessary?

**Mr McKIM** - There will be a loss of some grants. One-off grants are short-term grants and often are providing long-term strategic benefit. My advice is that projects funded under this program can potentially source funds elsewhere, including through the Adult Literacy Action Plan and Commonwealth funded programs. Again, these are decisions that we have had to make even though they will have some impact - we are not here to argue they will have no impact. We have tried to make decisions in formulating this budget in areas that will have the least possible negative impact.

[6.45 p.m.]

**Mr DEAN** - How many staff would be employed in this area? What is the employment position?

**Mr McKIM** - There is one FTE that manages this grants program.

**Mr DEAN** - So one salary comes out of that account.

**Mr McKIM** - It is a \$320 000 grants program plus one FTE equals the \$400 000.

**Mr DEAN** - Equals that amount.

**CHAIR** - Thank you, if there are no others in this particular output group, then we will move to Output group 3.

**Output group 3**  
**LINC Tasmania**

**3.1 Information Services and Community Learning -**

**CHAIR** - There is a slight increase in this area, albeit we have just heard that there will be a reduction in some programs. Are you aware that 47 per cent of adult Tasmanians are functionally illiterate, information that has been provided very recently by Professor David Adams, and we have already heard about some programs that will be impacted, are there any other areas that will be impacted by the budget savings that will be needed?

**Mr McKIM** - Do you mean in LINC's?

**CHAIR** - Yes, in LINC's because it has the community knowledge education aspect to it as well.

**Mr McKIM** - We have some increased funding for LINC's in this budget. The Information Services and Community Learning output has increased by nearly \$1 million or 2.83 per cent, being \$924 000. We have allocated new money to the Adult Literacy Action Plan for appropriation for the LINC's and also for a Department of Education contribution toward the LINC's. So we actually have a far better budget allocation this year to manage the LINC's and provide services through the LINC's than we had in the previous financial year.

**CHAIR** - But I believe there has been a shortfall in the allocation of establishing the Learning and Information Network Centres; is that so?

**Mr McKIM** - Yes.

**CHAIR** - My understanding is that is \$3.15 million. Does this mean that some of those towns will not receive a LINC centre within the next two years?

**Mr McKIM** - I have some information on which towns will receive a LINC, if you will bear with me while I find it. We have deferred the construction of the Sorell LINC and the deferral is currently to beyond the current forward Estimates; that is beyond 2014-15. But we will be proceeding with the construction of LINC's at Scottsdale and George Town that will complement

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the regional LINC's at Huonville, Queenstown and Bridgewater. Again, they are not easy decisions to make and I indicate that we decided to proceed with the George Town LINC in preference to Sorell on the basis of a clear higher socioeconomic need in George Town.

**Mr DEAN** - Is this for a Child and Family Centre?

**Mr McKIM** - No, this is a LINC.

**Mr DEAN** - So that is separate to that?

**Mr McKIM** - Yes, it is separate from Children and Family Centres. I am advised that the CFC is also going ahead in George Town, Mr Dean.

**Mr DEAN** - We were told in the budget papers previously that it wasn't.

**Mr McKIM** - It is not in my portfolio, but that is my advice. We will check that for you. Yes, on page 3.3 in the budget the George Town Child and Family Centre is listed there.

**Mr DEAN** - It might have been in the budget speech that said it wasn't.

**Mr McKIM** - The people of George Town I have no doubt will be happy to learn that the Child and Family Centre is proceeding in George Town, as is the LINC, which is a good little injection of investment into a community that has been doing it pretty tough over the last few years. Government is happy to be able to help in some small way there.

**CHAIR** - Minister, your area obviously covers the Campbell Town child care centre as well?

**Mr McKIM** - The child care centre or Children and Family Centre?

**CHAIR** - Child care centre - is that under this area?

**Mr McKIM** - Is it part of the Minister for Children's portfolio.

**CHAIR** - I am not sure whether they do this on purpose.

**Mr McKIM** - They are labyrinthine documents at times, budget papers, but if you keep dropping pebbles, Madam Chair, you can find your way back out.

**CHAIR** - I will see if I can get someone else to ask what happens to the \$100 000 that is missing out of that item. Minister, were you surprised about the 47 per cent of Tasmanians who are functionally illiterate?

**Mr McKIM** - I am not surprised today, but I have heard that figure before. I am disappointed that anyone is functionally illiterate. It would be a tough life, I reckon, and that is why when we made the decision that we needed to act on cost-recovery in Adult Education we did not go to literacy and numeracy courses; we went only for leisure courses. That is why we are rolling out the range of programs that we are in Education, including the LINC's, but also including, importantly, the Children and Family Centres and our Launching into Learning initiatives because they really do provide the outcomes we are looking for. The Tasmanian Adult Literacy Action Plan, which consists of the LINC Tasmania Literacy Skills Development Program

and the Adult Literacy Community Grants Program, is not cut - and I just wanted to make that very clear.

**CHAIR** - There is an increase in that line item.

**Mr FINCH** - I am worried about Adult Education. I don't find much of a mention here; in fact, I have not been able to find any mention of Adult Education. I realise it has been subsumed into LINC, is that right?

**Mr McKIM** - Yes.

**Mr FINCH** - But does it have its own allocation? Has the allocation diminished from the last budget? What is it worth now? Will we be able to maintain the same services in the community that they have enjoyed in the past or are we going to see them rally again but cut dramatically to where they are probably ineffective and will diminish?

**Mr McKIM** - I don't think Adult Education is going to diminish, if by 'diminish' you mean disappear. There is no doubt there has been a decline in enrolments in the traditional Adult Education program. For the committee's information, participation in Adult Education has declined from about 30 000 enrolments in 2005 to about 22 000 in 2010, so it has lost nearly one-third in five years. There has been a decline of 27 per cent in five years and the change has been most marked in the north-west and north. Intuitively, that would have a lot to do with changes in learning patterns and moves to online learning.

**Mr FINCH** - Has that been proved or is that assumption?

**Mr McKIM** - That is just my intuitive running commentary for you there, Mr Finch. LINC has implemented an online enrolment system with a streamlined payment and management process in an attempt to reduce administrative overheads, improved advertising with targeted evidence-based promotion and an emphasis on scheduling courses that are proven sellers, and maximised the use of buildings to reduce maintenance, energy and cleaning costs. My advice is that enrolments have continued to fall due to a decrease in client base, change in demographics, the current financial climate and competition from low-cost community programs or other providers. I can indicate that my advice is that similar types of leisure programs around Australia have declined dramatically in other States, particularly in New South Wales and South Australia.

So, yes, we have had to make some tough budget decisions in this area but I think certainly, in the foreseeable future, there will always be an important role for Adult Education to play because I am a big supporter of lifelong learning.

**Mr FINCH** - I am looking to have my fears allayed here. To a certain extent they have not been because we have an ageing population in Tasmania.

**Mr McKIM** - Yes, we have.

**Mr FINCH** - We have a situation where people are going to look towards an ongoing education enrolment in the community, and I would ask a question about marketing. You mentioned something there about advertising. What sort of marketing or advertising programs have taken place in the last five years while we have seen that diminution from 30 000 to 22 000?

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**Ms GALE** - We are still putting out the course guide regularly through the newspapers as a supplement in the south and north. The local LINC's gives lists of courses that are running there locally so there are a lot of people coming through and getting exposure. There is also an e-mail news thing that goes out to any previous clients and we have people on waiting lists, so there are a lot of different mechanisms to communicate.

For us it is a demographic that is increasing each year and a lot of it is people who, I guess once they leave the workforce, often trail off into School for Seniors or University of the Third Age when they have more time to be involved in those. I think that is a lot of the reason we are seeing the change. We have also seen a significant impact this year, particularly with the financial circumstances, where the enrolments in this last guide have dropped off a lot since there has been more talk within the State about the current financial circumstances and I guess individuals' purses and pockets are tightening up. So that is impacting on us as well.

**Mr FINCH** - There is a quote here that says:

'Courses will only be offered and advertised where there is evidence of viability through demonstrated client interest and demand.'

How do you evaluate demand if courses are not advertised and nobody knows about them? Are you suggesting to me that they are advertised to the same extent they were in the past?

**Ms GALE** - Yes. The course guides are still produced and go out. If we put up a course two or three times and do not get enough people there is no point to keep putting up courses that do not get filled, but we do put them up and we do seek out new, different types of ones to put in the guide. Again, we will give them two or three goes and if they get enough people signing up for them then we will run it, but if we do not get that after two or three goes then we will not keep putting them up.

**Mr FINCH** - You are confident the strategies that you are using to market and advertise the courses is in place and that it is a good way of advertising?

**Ms GALE** - Yes, we have retained all of the existing ones we have had for 20 years, the course guides particularly, and I guess we are now using other electronic means and also the walk-in clients through those people visiting in the LINC's and branch libraries and the like are getting that information as well.

[7.00 p.m.]

**Mr FINCH** - So I can feel confident that Adult Education as a brand will continue and it is not being run down surreptitiously so hopefully it will just disappear?

**Ms GASKELL** - No, I honestly promise you it is not. We are doing everything we can to get it to continue to run. It should run. If the clients want it then it will run and I think it is a very important service coverage in the community but in the end you can only do it within that cost recovery framework now but it is a critical course and I think it is really important that we run it. At no point through all of this have we done anything to advertise it less or put less courses in that are viable. It is a program we want to continue So it really depends on the clients to buy it.

**Mr FINCH** - Thank you.



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**Mr DEAN** - And because it is not an election promise we believe you.

**Mr McKIM** - Ms Gaskell is not a politician. You should direct those comments to me, I think.

**Mr DEAN** - It does not arise here but if I could ask here on capital investment - the Adult Education Centre in High Street is not at risk?

**Mr McKIM** - In Launceston?

**Mr DEAN** - Yes.

**Mr McKIM** - I would have to seek some advice on that.

**Mr DEAN** - There have been discussions.

**Mr McKIM** - My advice is that we are speaking to School for Seniors and they have a facility on High Street.

**Mr DEAN** - That is right, there is one there.

**Mr McKIM** - We are seeing whether there are any synergies that can be delivered.

**Ms GASKELL** - There is around about a million dollars to redevelop York Street and from our point of view we would rather consolidate to one building.

**Mr DEAN** - To York Street did you say? You either consolidate -

**CHAIR** - There is better parking in High Street.

**Mr McKIM** - I am happy.

**Mr DEAN** - Minister, as long as there is discussion there with all of the parties involved because they approached me about this some time ago and it seemed to go off the radar but obviously it is back on.

**Mr McKIM** - It is back on. We are happy to hear your views, happy to have Ms Gaskell sit down with you if you would like to contribute in some way to this so that we can understand your views.

**Mr DEAN** - I have been there a number of times.

**CHAIR** - There are better parking opportunities at High Street, I would suggest.

**Mr DEAN** - One further question if I may, Madam Chairman, I think it falls here -

**CHAIR** - Try us.

**Mr DEAN** - It is in relation to the Tasmanian publications added to the State records. I just notice on page 3.15 that in 2009-10 it is 48 929, so is that additional items going into the record?

In the year 2010-11 it was 30 000, and now this coming year 2011-12 it is 40 000 again, so can those figures be explained to me and what they actually mean?

**Ms GALE** - They are publications. I would have to check whether that brings in items that we digitise because they are classed as new publications, so that would account for those sorts of numbers. They are not just books.

**Mr DEAN** - So are they extra ones each year being put on, are they? Is that how I interpret those?

**Ms GALE** - They are Tasmanian publications about Tasmania and that will include materials we have digitised. If you take something and digitise it and make it available electronically that is added to the list.

**Mr DEAN** - So this current year coming you are going to add another 40 000 publications to the list?

**Ms GALE** - Yes.

**CHAIR** - And they might not necessarily be new publications but they are publications that have been hard copy in a previous life.

**Mr McKIM** - Yes.

### **3.2 Tasmanian Archives and Heritage Office -**

**Mr DEAN** - Again on that same page, 3.15, it has 'Heritage documents and artefacts publicly available in digital format'. That covers this area, I think, does it? I think it does.

**Mr McKIM** - Yes.

**Mr DEAN** - If we look here in 2008-09 it was 50 000 plus; in 2009-10, the one just gone, it was 172 000, an incredible increase, and in the current year, 190 000. Where are these records coming from? Once again, are they just an accumulation of the documents, these artefacts, being publicly available and/or is that another 190 000 extra ones this year?

**Ms GASKELL** - Yes, because we have money for digitisation because the more that we can get online the more people can access it.

**Mr DEAN** - These are all heritage documents which means they are all very old documents, are they?

**Ms GASKELL** - Mostly they would be old but they may also be photographs, so each photograph that we digitise is one. We also digitise newspapers and leaflets - a range of materials. There is a myriad of things that can be digitised.

**Mr DEAN** - It will all be recorded there.

**Ms GASKELL** - Yes, and available across the country and the world.

**Mr DEAN** - How many employees are there in this area?

**Ms GASKELL** - There are 29.5.

**Mr DEAN** - Are there any cuts identified in moving forward for budget purposes?

**Mr McKIM** - If you would like to have a visit, Mr Dean, I am sure we could arrange it for you if you are interested.

**Mr DEAN** - I would like to. Madam Chair, if we could arrange a visit -

**Mr McKIM** - I have just been assured by the secretary that it is a very worthwhile visit to make and perhaps if members would like to contact my office we will organise it.

**CHAIR** - We might ask the Leader to facilitate something like that.

**Mr McKIM** - I am very happy to organise that.

**Mr DEAN** - Thank you.

**CHAIR** - I do not believe there are any other questions in relation to that. If there are no questions on grants and subsidies - I think that has pretty much been covered with what we have already discussed today - we will move onto the capital investment program. Thank you, Siobhan, and I apologise for you having to wait so long. We will try to let you know what time next year. Did Siobhan say she would not be here? Happy retirement.

#### **Capital Investment Program -**

**CHAIR** - I have a couple of questions in relation to the Smithton High School gym. Can I be advised whether that gym is close to the top of the list, Mr McKim, and is it possible to have a list of the projects in order of priority?

**Mr McKIM** - I will ask Mr Finch to respond to that in the first instance.

**CHAIR** - Is it good news?

**Mr Andrew FINCH** - Not at the moment, but it is amongst projects for consideration as part of the budget process coming up. As you know, we had the Building Better Schools policy that we launched about three years ago and schools submitted claims for funding, so we have been through a rigorous prioritisation process working with schools to prioritise the projects. We have obviously had an impetus of funding in the last couple of years with the BER funds across schools, about \$327 million, but the bulk of that went to primary schools so we recognise that there is still a need in a number of secondary schools for investment funding and that is what we will be pursuing as part of the upcoming budget processes. Hopefully there will be more capital funding available in future years.

**CHAIR** - Is there a hot list rather than a hit list?

**Mr Andrew FINCH** - We do have priorities that we are working on to get funding for schools.

## UNCORRECTED PROOF ISSUE

**CHAIR** - Is there a list of the applications that are with the department?

**Mr Andrew FINCH** - Yes, we do have a list.

**CHAIR** - Is that available to the committee?

**Mr Andrew FINCH** - Yes, we could make that available.

**Mr McKIM** - I am happy to take that on notice and we will provide that later.

**CHAIR** - Thank you, I appreciate that. One more I have is in relation to Albuera Street Primary School that has \$500 000 allocated in 2011-12 to complete the redevelopment of facilities. Has the remainder of the \$2.032 million of the project been covered under the BER funding?

**Mr ANDREW FINCH** - This \$2 million was actually State funds, so it wasn't the BER.

**CHAIR** - So it wasn't under the BER?

**Mr ANDREW FINCH** - The reason that the \$500 000 is shown there is that the remaining money, the \$1.532 million has already been expended, so we are just finishing off the project.

**CHAIR** - So there is just \$500 000 for outstanding works to complete the project?

**Mr ANDREW FINCH** - That is right, to complete the project.

**CHAIR** - That will be completed this year on time and on budget?

**Mr ANDREW FINCH** - Yes.

**CHAIR** - Fantastic. Are there any identified areas in the Capital Investment Program that have gone off the list?

**Mr ANDREW FINCH** - Yes, as part of the Budget strategies -

**CHAIR** - You have deferred some?

**Mr ANDREW FINCH** - Yes, there were some child and family centres that have come out of the Capital Investment Program.

**Mr DEAN** - But that is not George Town, you have said?

**Mr ANDREW FINCH** - No.

**Mr McKIM** - Not George Town and not in this portfolio.

**Mr ANDREW FINCH** - The LINC that the minister mentioned.

**CHAIR** - What about actual school buildings?

**Mr ANDREW FINCH** - No.

**CHAIR** - Nothing has come off the list?

**Mr ANDREW FINCH** - No.

**CHAIR** - So how are you going to make the savings there?

**Mr ANDREW FINCH** - As we said, there are the child and family centres, the Sorell LINC and there is a learn to swim pool which is part of the Bridgewater Federation, but no individual school redevelopment projects or the like.

**CHAIR** - Thank you. Mr Finch has been waiting very patiently. Come on Riverside.

**Mr FINCH** - Minister, probably just a bit of an insight into the running of your portfolio -

**Mr McKIM** - Are you going to offer that to me?

**Mr FINCH** - No.

**CHAIR** - There has to be a question at the end of this or else he is not allowed to ask it.

**Mr FINCH** - No, there is a question. If a member of Parliament like my good self were to make a special interest speech on Thursday, 16 June about the Riverside High School, I realise that you would not be sitting in your office waiting perhaps diligently in case I did say something about the Education portfolio. Would you just through the processes get a copy of that speech? If somebody says something about a particular school, does it filter through to you so that you can get a handle on that information?

**CHAIR** - The Deputy Leader, I reckon.

**Mr McKIM** - Not in my short time in this position to date, Mr Finch, although I have been focused on a couple of quite high-profile issues that are running in the media. However, now that you have let me know that you have made that speech, I will be sure to check it out.

**Mr FINCH** - I will send you a copy of it.

**Mr McKIM** - Thank you, I would very much appreciate that and I will read it diligently.

**Mr FINCH** - Because it is of concern. Riverside High School has a 50th anniversary coming up next year. I referred to it as a museum, because people who went there 50 years ago can in fact go back to the school and nothing will have changed.

**Mr McKIM** - I do not have any advice on Riverside - perhaps it is on the list for some capital investment, perhaps it is not. But if you send me a copy of the speech, I will read that and potentially we might even have a chat about this in next year's Budget Estimates, Mr Finch.

**Mr FINCH** - Thank you.

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**Mr McKIM** - I am sure you will be grilling me closely on the content of your speech.

**Mr GAFFNEY** - I was surprised, I thought Mr Finch's speech would have a lot of media interest. It was quite an item. With the breakdown remaining of \$4.769 million on Building the Education Revolution projects, I am just wondering what projects are still outstanding and what that money is still to be spent on?

**Mr McKIM** - We will just find that advice for you.

**Mr GAFFNEY** - While you are finding that advice, the second question: it looks like with the school amalgamations in Burnie there is \$750 000 still needed for this year. Is that money that was already allocated in that budget spend or is it extra funding that you have had to get together because the building wasn't finished in time, or was there an overspend?

**Mr McKIM** - Which amalgamation was that?

**Mr GAFFNEY** - That was the Burnie amalgamation to form the Romaine Park Primary School, there was \$750 000.

**Mr McKIM** - That was just the balance of the budget, I am advised.

**Mr GAFFNEY** - So that budgeted for?

**Mr McKIM** - Yes.

**Mr GAFFNEY** - Okay. And the first one with the BER funding?

**Mr McKIM** - We do not have a list of the specific schools here. We can probably get that.

**Mr GAFFNEY** - If you could, that would be good.

**Mr McKIM** - Yes, I am happy to do that. My advice for preliminary purposes is that it is about 15 schools.

**Mr GAFFNEY** - That would be great if you could get that for me.

**Mr McKIM** - We will put that one on notice for you.

**Mr GAFFNEY** - The honourable member for Western Tiers is not here but he did make mention - it is not in my electorate - but he is very happy to support Sorell Primary School that got a guernsey. It is well deserved. I have heard the council up there worked very hard with the Government to get a good outcome.

**Mr McKIM** - Yes.

**CHAIR** - Order. Self praise is not on the list.

**Mr DEAN** - Mr Gaffney has asked my question on the Burnie funding, but I have just picked up where I found out about the child and family centres: page 3.5 it says 'deferring the full roll-out of the new child and family centres'.

**Mr McKIM** - So instead of doing a full roll-out we are doing a partial roll-out. That is not deferring the entire roll-out.

**Mr DEAN** - It says 'deferring the full roll-out'.

**Mr McKIM** - Yes. I think what that means is that we are deferring it from a full roll-out but still rolling out some.

**Mr DEAN** - I see, some of it.

**Mr GAFFNEY** - The five of 16 who have been put on hold.

**Mr DEAN** - I misinterpreted that. It is just the way it is written.

**Mr McKIM** - We still have eleven continuing.

**Mr DEAN** - I understand that.

**CHAIR** - Any other questions, honourable members? No. Minister, given that we have had a very successful day, albeit I note there are some questions that maybe some of us felt did not quite provide the answers we were looking for, we still thank you for the time and effort that goes into providing the information. It is very much appreciated by this committee. I am just wondering if by any chance I can get an absentee note next week if I happen to pick up your cold.

**Mr McKIM** - Yes you can. I will provide that for you, although I have had it for a little while now so I don't think I'm contagious.

If I could just thank Mr Pettit and his team for the exceptional support they have given me and the good advice they given to the committee today.

**CHAIR** - Thank you, and we certainly do appreciate the work and effort and particularly thank you for soldiering on.

**The committee adjourned at 7.17 p.m.**