

Wednesday 30 June 2010 - Estimates Committee B (McKim) - Part 2

DIVISION 9

(Department of Premier and Cabinet)

Output group 6

Community development

6.1 Community development -

CHAIR - I invite you to highlight some of your priorities.

Mr McKIM - As I indicated this morning, it is not my intent to take up an overly long time on overview. Nevertheless, I accept that the committee has an interest in some of the general directions in community development and I am happy to speak to those briefly.

The Community Development division focuses on building individual and community capacity, addressing social disadvantage and increasing social inclusion and community connection. The division supports women, people with disabilities, seniors, Aborigines, migrants and refugees, and children and young people; it aims to build the capacity of all Tasmanians to work together in addressing common interests.

We have in the output a slight increase from 2009-10 to 2010-11 flagged in the Budget and that reflects additional financial support to community organisations through the Community Capacity Building Grants program.

I should just mention a couple of budget initiatives very quickly. There is \$50 000 allocated this year as part of a new \$150 000 funding commitment to provide grants to community groups to assist progress towards the Tasmania Together benchmarks for the lesbian, gay, bisexual, transgender and intersex community; an extra \$100 000 per annum - and I am very pleased with this allocation - to the Migrant Resource Centre to assist with community outreach programs; and a further \$50 000 per annum provided to the Multicultural Council of Tasmania for capacity building and policy development.

I will ask the Secretary to Cabinet, Ms O'Connor, to provide more detail on that when she comes to the table. As you have been informed by the Leader of Government Business in the Council, I have delegated authority in some areas of Community Development to Ms O'Connor. Those authorities have been tabled in the lower House and are available to all members.

To finalise the overview, capacity-building in our community, increasing social inclusion and decreasing social disadvantage are core thrusts of this Government. I am very pleased and proud to have been given responsibility by the Premier, and ultimately by the Governor, for a ministerial portfolio in this area.

Mr FINCH - I am more interested in the general situation of community development before I get down to a couple of specifics. What is the intention of the Community Development portfolio and how do you feel that issues will be investigated, our community will be investigated and then our programs actioned?

UNCORRECTED PROOF ISSUE

Mr McKIM - As I said, in broad terms the intent of the portfolio is to build capacity in our community to increase social inclusion and decrease social disadvantage. The mechanisms by which this is done is through smaller offices within Community Development that have responsibility for the areas that I mentioned earlier. But an important role that is played by the Community Development Division is that of engaging with the community with key stakeholder groups to find out what they want and what the community would like to see in this area and then allocating funding on the basis of those consultations.

Mr FINCH - Is that going to be like a two-way street? Will there be an opportunity for people to come to Community Development to present their cases, their issues and where they feel change needs to be made?

Mr McKIM - Absolutely, and I should introduce Greg Johannes and Nick Evans. Greg is the Deputy Secretary in the Department of Premier and Cabinet and Nick Evans heads up the Community Development Division and I am sure they will both tell you that there is regular contact from stakeholders and from community members, both into the Community Development Division, but also into my office, as minister; it is something that generates quite a lot of interest and we receive quite a feedback.

Mr FINCH - Can I hear about some of those issues that may come to Mr Evans? Are the predominant issues being covered by those extra allocations that you mentioned?

Mr McKIM - The structure of the Community Development Division - that is, the structure of the smaller offices that support women and people with disabilities, seniors, Aboriginal Tasmanians, migrants and refugees and children and young people - has been conceived in order to address some sections in our community that may be facing potential disadvantage or that the Government has identified may need some extra assistance or some bureaucratic assistance in the way they go forward.

I can inform the committee that each of those six units have formal adviser groups and councils which feed in, in policy terms and with advice that eventually would flow up to the minister, where appropriate, and would be actioned where appropriate.

Mr FINCH - Do you get a sense that we are covering off on the major issues of disadvantage in our community?

Mr McKIM - I think we are covering off on a lot of the major issues of disadvantage in our community. People, from time to time, put to me that there are other areas that we might look at. But I am comfortable, in broad terms, that we are covering off on major areas of disadvantage. Could I indicate that we also have a Social Inclusion Commissioner who reports directly to the Premier, David Adams, whom many committee members would know. He also has an interest, but more broadly, in addressing social disadvantage and promoting social inclusion.

Mr FINCH - Is there a dialogue between his office and Community Development?

Mr McKIM - Yes, I have met with Professor Adams since the election and I intend to keep meeting with him. I can inform you that, geographically, he is located alongside the Community Development Division - and I have taken a walk around to say hello to the Community Development staff since I have become minister,. So there is plenty of opportunity for both formal and informal interaction.

Mr FINCH - I would probably get a ruling from the Chair here. I was wondering whether we would be able to talk about the Community Development Committee and where that might play a role in the future?

Mr McKIM - The parliamentary committee?

Mr FINCH - Yes.

CHAIR - It does not relate to the Budget as such, unless we are talking about funding recommendations from the policy area. So I would allow the Minister to -

Mr FINCH - No, that is quite okay, I am happy to explore that at other opportunities. Just a couple of Budget things that you mentioned there, which were very good initiatives; mainly the \$100 000 for the Migrant Resource Centre. I was very concerned some time ago about Harmony Day, which I thought played a fantastic role in the northern community in getting that synergy between our population as we know it now and those who are newcomers to the community.

This was an opportunity for us to embrace the cultures and the cultural pursuits of newcomers and to mix and mingle with the local community, but it faltered in some ways because the local committee did not receive adequate funding. I am wondering whether Harmony Day and the promotion of that might be a focus of this Migrant Resource Centre and an opportunity to inculcate and introduce those newcomers into our communities.

Mr McKIM - As I indicated in overview I have delegated authority in some of these areas to the Secretary to Cabinet and those authorities have been tabled in the Lower House. It had been my intention to ask Ms O'Connor to replace me at the table to deal with these issues.

CHAIR - Would she like to join you at the table?

Mr McKIM - It had been my intention to ask Ms O'Connor to replace me because I have delegated authority in these areas. I understand there may be some advice that the committee has in relation to this. I am not sure how we ought to proceed because it had been my intention to allow Ms O'Connor to answer those questions.

CHAIR - The committee is more than happy to have Ms O'Connor join you at the table and you delegate any answering that you might require to Ms O'Connor.

Mr McKIM - The issue is that I have already delegated authority to Ms O'Connor to act in these areas. Those delegations have been drafted by the Solicitor-General, they have been tabled in the lower House and Ms O'Connor has been asked questions directly in the lower House without any matters being raised in relation to those. It had been my intention to ask her to replace me at the table.

CHAIR - Thank you, Minister,

Mr WING - You do not need to leave though.

Mr McKIM - I am not going to leave the room.

Mr WING - You would not even need to leave the table. You could both be at the table.

CHAIR - Obviously there has been a discussion with the President of the Legislative Council, so I believe that it would be in the interests of the committee to suspend and I will seek some further advice and a ruling by the President.

Mr McKIM - If there is a ruling by the President or by the committee then we will of course comply with that.

The committee suspended from 2.13 p.m. to 2.22 p.m.

CHAIR - Minister, you would like to make a statement.

Mr McKIM - Yes. I have visited the President with you and she has indicated to me that she believes I should remain at the table when Ms O'Connor comes to the table, which I understand the committee is okay with her doing.

There are a couple of points, just to be clear. I have indicated to the President that I would be grateful if she would provide a written ruling on this matter, and she has agreed to do that. In the interests of allowing the committee to continue I am not going to insist on that written ruling being provided before we continue, but the President has given a commitment that that will be provided and tabled later today.

Secondly, I would like to formally request that the advice from your Clerk, on which the President presumably is relying, be tabled in this committee.

CHAIR - I can inform the committee and the minister that the President has denied that request because it is an internal memorandum and so that is not available.

I will invite the minister to continue on with Community Development, line item 6.1.

Mr McKIM - The question is before me that Mr Finch asked. This is a question in the area that Ms O'Connor has responsibility for, so with the committee's permission I would invite her to come to the table.

CHAIR - We would welcome Ms O'Connor to the table.

Mr McKIM - Rather than every question being referred to me and then me referring it to Ms O'Connor, it might be possible - as I am happy to sit here at the table, and if people wish to ask me questions I am happy to answer as minister - if there is a mechanism whereby we could avoid me being the conduit for every question and every answer, that would be desirable.

CHAIR - We understand that and we certainly appreciate that in the interests of allowing this to roll on fairly smoothly, but if it is related to policy, then, Minister, it will come through you.

Mr FINCH - Through you, Minister - I would like to ask Ms O'Connor about the extra \$100 000 for migrant resources and this focus that I am looking for with Harmony Day. I am wondering if you could give us some idea of what the extra is going to include for migrant

resources, what they do currently with the money that they get and what shape the future will take with this extra money for migrant resources?

Ms O'CONNOR - The first thing I would like to do is acknowledge what a fantastic event Harmony Day is. You would be aware, Mr Finch, that it is federally funded. There were some issues last year with the Harmony Day celebrations because the Federal funding had lagged, which led to a delay, as I understand it, in some of the celebrations. I did write to the federal minister about that funding issue and then it was resolved.

We will be in a conversation with the Migrant Resource Centre about how it spends its \$100 000 allocation. The MRC's job is to not only promote but to make sure that our community embraces cultural diversity in Tasmania. You will be aware that there is a north and south MRC. About 57 per cent of the funds will go to the southern MRC, and 43 per cent to the north.

I would have thought that Harmony Day celebrations would be a perfect event for the MRC to become involved in and possibly allocate some its funding to.

Mr FINCH - That is a decision for the Migrant Resource Centre.

Ms O'CONNOR - Clearly we will be working with them. What we are doing is, in a sense, buying policy outcomes within the community from MRC. It is in recognition of the outstanding work that they currently do, with our new arrivals but also in the broader community, towards embracing cultural diversity in Tasmania. You would be aware that we have many new arrivals from many different countries coming in and there are serious challenges for some of those new communities.

For example, in our African communities I understand there is 98 per cent youth unemployment. Clearly racism is an issue in Tasmanian society and that is to our enduring shame. It is important that we fund, equip; skill up organisations like the MRC and also the Multicultural Council of Tasmania to make sure that we have got the policy settings right here so we can properly harness the capacity of our new arrivals who we are privileged to have here.

Mr FINCH - Just remind me again, that response you had federally in respect of funding for Harmony Day?

Ms O'CONNOR - I am dredging my memory but ultimately the funding did come through; there was a delay in it. I would be happy to get some firmer advice on that. It was before I was the secretary to cabinet. I was the member for Denison at the time with shadow portfolio responsibility for multicultural affairs.

CHAIR - Thank you. Through you, Minister, to Ms O'Connor - I take you to table 10.14 and the total of new seniors cards and new companion cards. I know that we have an ageing population. I am quite aware of that. I am aging myself; probably quicker today than normal.

Mr McKIM - We all are.

CHAIR - It refers in the note to the issuing of new and replacement cards. Can you give the committee a breakdown on new cards issued and replacement cards?

UNCORRECTED PROOF ISSUE

Ms O'CONNOR - I do not have the breakdown at the moment. I do know as at May this year there was a total of 6 541 seniors cards issued. You would be aware that it is part of a national program and we sign up Tasmanian businesses as part of our seniors card program. It is important that we have a seniors card. I am happy to get the breakdown of the replacement cards and new cards.

CHAIR - There is an increase of about 2 000. It is a significant increase and I am interested to see if there are more seniors in our community accessing that seniors card. They like to get that little bit of discount.

Ms O'CONNOR - As I understand it, for the population that is over 60, around 71 per cent have a seniors card, which shows how useful it is.

CHAIR - With the expansion of transport opportunities around Tasmanian they could well use it more frequently in the future.

Ms O'CONNOR - Certainly with our sharply ageing population I can see that the applications for seniors cards will only increase.

CHAIR - I am hoping not to fill mine out too soon.

Mrs TAYLOR - It is a fairly general question because I find this a fairly general and relatively short report within the budget, in that there is only - correct me if there are more tables than this - the \$6 million-odd for expenses by output and then the table 10.14 which is the performance information. There is no breakdown that I can see in these papers of that \$6 million you have said is policy development, policy advice and ongoing community development.

[2.30 p.m.]

Mr McKIM - The question is to Ms O'Connor if it relates to multicultural issues, which she has authority for.

Mrs TAYLOR - It looks like the two are mixed, doesn't it? Policy advice and ongoing community development.

Mr McKIM - All of those officers provide policy advice from time to time via Mr Evans, through Mr Johannes and ultimately to Ms O'Connor or me, depending on what that policy relates to but also, all of those officers do a whole range of other things in terms of building capacity in the community, ranging from assisting with Youth Parliament, which OCYA - the Office of Children and Youth Affairs - does; assessing Aboriginal eligibility, for example, which the Office of Aboriginal Affairs does; Seniors Cards, which we have just heard about. So, yes, there is policy development and there is also capacity building in our community.

Mrs TAYLOR - This \$6 million or more is used on both policy work and the delivery on the ground?

Mr McKIM - In general terms.

Mrs TAYLOR - The bit I am asking about is the on-the-ground stuff in table 10.14.

Mr McKIM - Are you after a breakdown?

Mrs TAYLOR - It would be nice to have some figures associated with this. My other question is to Ms O'Connor: I am happy with these performance measures but it would be nice to know, how do you decide which performance measures you will report on? They are good but probably the first one - the number of Australian Government agencies, local governments and State Government departments with actions initiated by and relevant to the Community Development Division - is huge, whereas the others are quite specific. I suppose what I am asking for and would like in future is more of that kind of information.

Ms O'CONNOR - So it is an issue with the way the Budget is laid out rather than the performance measures that we are doing quite well on?

Mrs TAYLOR - Yes.

Ms O'CONNOR - That is certainly something we could look at in future years.

Mrs TAYLOR - Yes, I am just asking in future could we have more information, that is all.

Ms O'CONNOR - I also would go on to say that funding allocation also goes to Women Tasmania for their regional resource centres; it helps us deliver Seniors Week events, the Seniors Card. There are grants in there -

Mrs TAYLOR - But all we have is one lump figure.

Ms O'CONNOR - This is a discussion we may have with Treasury in future in terms of more detail in the Budget.

Mr McKIM - Perhaps I could assist. DPAC is currently reviewing all of its performance measures and I think that is because there was a general view that in some areas they were a little bit less than ideal; so that is a process in Community Development that sits within the Department of Premier and Cabinet and hence, it is a process that the Community Development Division is participating in.

Policy development and capacity building are highly interrelated and I think it would be quite difficult to provide a firm dividing line, if you like, between the two but in the 2010-11 Budget this budget year in terms of grants and transfer payments within this division, it was \$1.156 million. We can provide those things - by the way, that is up from \$975 000 last year and that is not in the budget papers but -

Mrs TAYLOR - No, that is what I am saying. I would appreciate having more in the future.

Mr McKIM - Yes. I am happy to feed that in. I am sure Mr Johannes and Mr Evans are listening very closely to Mrs Taylor and as I said, \$1.156 million in grants and transfer payments is in this Budget so that is money going out.

Mrs TAYLOR - Yes, and that was partly my question, where the breakdown is and I am happy to hear that, thank you.

Mr McKIM - I hope that has answered it to a degree for you.

UNCORRECTED PROOF ISSUE

Mrs TAYLOR - Thank you, yes it has. Can I have a supplementary question? I asked it yesterday of the Premier and I got an assurance but no clarity.

Mr McKIM - I have often found myself in that situation.

CHAIR - I suggest you get used to it.

Mrs TAYLOR - It is a very small amount, but it was \$20 000 that was a pre-election promise for Moonah to hold a multicultural festival next March, I believe. I said to the Premier, 'I can't find this, can you tell me where it is?' He said, 'I assure you it is there, Adriana; it is definitely there'. I asked where because I understand that another member for Denison has been asked where it is and he said, 'In Community Development', but when you look at Community Development it is not there, and so the Premier's adviser indicated that it was definitely within Multicultural Affairs, but Ms O'Connor is not aware of this either. Please, can I have that?

Mr McKIM - Firstly, Adriana, I presume that you are referring to a Labor campaign commitment.

Mrs TAYLOR - Absolutely.

Mr McKIM - I understand Mr Johannes could assist.

Mr JOHANNES - The Premier made the commitment yesterday that the \$20 000 for that festival was in the Budget for the Community Development Division but just as you will not see separate line items in the Budget for Seniors Week, for example, you will not see a separate line item in the government budget papers, but it is in the internal budget.

Mrs TAYLOR - How will that be accessed by that group?

Mr JOHANNES - We will work with the group and typically the way it works is that once we can satisfy ourselves that they will manage the event appropriately, which is normally a process of going back and forth over a matter of weeks, we would provide the funding to them typically in grant form.

Mrs TAYLOR - Will you take the lead on that or would you expect them to take the lead on that?

Mr JOHANNES - We will initiate the discussion.

Mrs TAYLOR - Wonderful, thank you.

CHAIR - It is on the record, Mrs Taylor.

Mr McKIM - We are working for you, Mrs Taylor.

Mrs TAYLOR - I keep being assured it is there.

Mr McKIM - I am happy to assure you that it is there too.

UNCORRECTED PROOF ISSUE

CHAIR - Minister, can you inform the committee whether this particular department was able to meet their budget management strategy requirements under last year's financial constraints due to the GFC and the continued Treasurer's -

Mr McKIM - I have Jeff Reeve here, who is the Director of Corporate Services from the Department of Premier and Cabinet and he will probably be able to respond to that.

Mr REEVE - I can certainly assure the committee that all of those management strategies were achieved within the Community Development Division in 2009-10.

CHAIR - In what way? Staff number reductions?

Mr EVANS - Our staffing at May 2009 was 41 and in 2010 it is 32.9.

CHAIR - Definitely in the way of staffing. Given that things are much healthier in the way of financial dividends to the State, will we see an increase in staffing numbers in this area?

Mr McKIM - These things are whole-of-government policy obviously. We will managing this division within the budget that we have been allocated and anything extra that we are able to obtain from Treasury but, as I am sure you would understand, that is not always an easy process but we will be managing this office within the budget constraints placed upon us to deliver the best outcome for the community.

CHAIR - Given that there has been considerable reduction, from 41 to 34 FTEs, has that put additional pressure on the existing staff that you are aware of?

Mr McKIM - Any reduction in staff makes it more difficult to maintain outputs but I know the people in the division work very hard to do everything they can to deliver to the community.

Mr EVANS - I think what we have managed to do is move towards a situation where, rather than having six separate offices, if you like, each operating on their own and with their own support mechanisms in administration and so on, we now have formed ourselves into a division where people have much more capacity to interact with other people doing similar things - sharing resources from admin staff to photocopying and all of that low level. It has enabled us to move with the sort of efficiency that we have been required to have.

CHAIR - There were some positives from the GFC after all.

Mr McKIM - When I had a tour around the division that was quite obvious to me just from the way the place was operating. I asked that they did not change anything just because the minister happened to be dropping in. I am not sure how we went there but hopefully there was not too much change.

CHAIR - Can you indicate to the committee how much accrued annual and long service leave the agency is liable for?

Mr McKIM - I do not have that with me but I am sure that we can get that for you. We will take that on notice.

Mr DEAN - Through the minister - this output group supports a number of different groups of people, including migrants and refugees. There was a very unfortunate situation we had with a Bhutanese family in Launceston recently where seven of them were subjected to poisoning and they were found unconscious in their house. They are very lucky to be with us today. What is Community Development doing to educate these people, to provide support and assist them in understanding local conditions? They come here not realising, at times, the extreme temperatures that they are going to be confronted with. What is Community Development doing to ensure that all of our immigrants, all of our refugees, properly understand and are given the appropriate amount of support with energy requirements in particular, especially now that there are going to be increases in cost in that area and it is even going to get worse for them?

Mr McKIM - I will ask Ms O'Connor.

Ms O'CONNOR - Thanks for your question, Mr Dean. The first thing I would do, of course, is remind you about the Commonwealth responsibility in regard to our humanitarian arrivals. Just last week I was at a Centrecare function where they have a humanitarian settlement program. That was a very unfortunate situation and it saddened us all. We are lucky that it did not end tragically.

There is a major education, social literacy and integration program that is delivered by the Commonwealth in large part, through non-government organisations. The Centrecare program, for example, educates people on how to access housing and how to pay their bills and how to take public transport. That particular case highlighted amongst service providers the need to talk to our new arrivals about the very different climatic conditions here. I think this is a role where, with the increased funding to the Migrant Resource Centre, also working with organisations like Relationships Australia which delivers these settlement programs, we can do some more work and we clearly need to.

Mr DEAN - That is good to hear because they are in a very difficult situation that they do not really understand and appreciate.

Ms O'CONNOR - Yes. A few weeks ago I attended an event that had been organised by the Migrant Resource Centre, an art exhibition at the Moonah Art Centre, and I met our one hundredth Bhutanese arrival. So we are, in Tasmania, dealing with new groups of people who are coming in all the time who will have different perceptions of our community and different settlement needs. We do need to do more work in this area and improve the capacity of our non-government organisations to help us do it.

Mr DEAN - I think the Bhutanese people have only been here about two years. So they are a new lot of migrants and refugees in this State or in this country.

Ms O'CONNOR - Yes, and just as it is with our new African arrivals, there are some serious challenges here for Bhutanese, the people from Myanmar, in terms of not only accessing government services.

What we wish to do through the Community Development Division is find out exactly how our government agencies are meeting the needs of new arrivals because there are clearly deficits. Once we get that work it will help us inform policy development because, what I was going to say before with the new arrivals from Bhutan, the gentleman I was talking to at this art exhibition said it is very hard for him to find work here. He said he is very happy in Tasmania, that it is a good

place to live but he wants to work and he does not feel that those opportunities are open to him at the moment.

Mr DEAN - That was going to be my next question in this output group. Do you have any responsibility under this output group of Community Development to assist or support them in getting employment? That is the problem.

Ms O'CONNOR - It is a huge problem.

Mr DEAN - I think 90 per cent of the Bhutanese people live in my electorate. I have a fairly close relationship with them at this stage and I will continue that relationship. They complain that they find it difficult to get employment. Their ambition is to get a licence and get employment. I am asking under this output group what is this area doing to ensure that is happening?

[2.45 p.m.]

Ms O'CONNOR - This is a shared Commonwealth and State responsibility but it is also a two-way street in terms of the role of government and the community. We need to encourage more business operators to harness the capacity of these very willing workers who have come to Tasmania. I think that as we go through this process of determining how government agencies are meeting the needs of our new arrivals we will work some of these things through. I agree with you, Mr Dean, the unemployment situation amongst our new arrivals is unsatisfactory, it is not something that Government can solve easily. It has to be a whole-of-community responsibility.

Mr EVANS - At the moment we have three programs that are supported through our office to introduce and support people from humanitarian backgrounds into employment. The major one is called the Connecting Communities project and it involves work placement of around 40 at any given time humanitarian entrants into, effectively, work experience placements with businesses.

At the moment this program operates only in the south. We have managed to get on board that number of businesses and support those humanitarian entrants getting that work experience. You mentioned getting a licence but it is also the other cultural aspects of being at work and being around a diverse group of people and what lunch break is and all those sorts of things that we might take for granted that are different. Getting that start and getting an understanding of what the Tasmanian workplace culture is about is often the first step. Although only small numbers of those people have moved into employment, some of them have gained confidence from participating in that program to further their education and to improve their job seeking skills.

We also work within the Tasmanian Public Sector with other State Service agencies as well about providing people from humanitarian backgrounds with work placements within the State Service. Every year there are around about 30 people who are placed through those programs. We have also funded in the last 12 months the Migrant Resource Centre North to run a community-based work placement program similar to the one that we run called Foot in the Door - effectively that is what it is in the north - with those communities. We would always like to do more but because the issues are societal issues, they engage the whole Tasmanian community, we put our effort into establishing the connections and giving people the opportunity to learn and understand about our workplaces as opposed to taking the responsibility of finding them a job. Those programs are highly valued by those communities and in the most part successful. But on their own they are not enough and that is why we need to continue our discussion with the Commonwealth and with businesses and employers and with members of the community themselves so their expectations about what is available to them match the reality.

CHAIR - Thank you.

Output group 1
Support for executive decision making

1.2 Climate change -

Mr WING - Would you give us an outline of the general policies of the Tasmanian Climate Action Council with particular reference to any policies that might involve saving electricity in places like this Parliament and other offices? I understand that last year the Government received a report about some means of conserving energy in government offices. I do not know whether that has been implemented but could you tell us about it?

Mr McKIM - The council was effectively established by advice to the minister. I am the first Minister for Climate Change in the State's history. Previously it was the minister assisting on the issue of climate change. The council was established in March 2009 and has provided advice on issues ranging from planning and infrastructure to smart grid opportunities, coastal adaptation and the Government's climate connect grant program. The council is currently examining and providing advice to me, and therefore the Government, on the findings of the Tasmanian Wedges report which may be the report that you were referring to in your question.

The Wedges report is publicly available and it is on our web site. The Climate Action Council has very recently, I understand, finalised its response to the Wedges report and I believe I have a meeting with the Chair at some stage in the next week or so for that response to be provided to me. I have previously publicly committed to publicly releasing the Climate Action Council's response to the Wedges report. When we get that response, the Government will consider that response but that will be publicly released. I can give you more detail on who is on the council, how much it is costing and so forth if you would be interested in that.

Mr WING - Yes, I am interested in that.

Mr McKIM - There are 10 members of the council and they have expertise across a range of disciplines essential to effective action on climate change. Current members bring to the council experience in such areas as academia, scientific research, governance, business and industry, agriculture, planning, local government and behavioural change. Three of the council's current members are based in the north of the State and I say that because I know you will have an interest in that, Mr Wing.

Mr WING - Three out of the 10?

Mr McKIM - Three out of 10 based in the north of the State and two of the council's current members are based interstate, so it is not three versus seven in terms of any north-south rivalry, it is three versus five.

The council costs the Government approximately \$138 000 per annum. \$126 000 of that is in member fees and a further \$12 000 in travel, accommodation, events and meeting catering. As an important part of the council's work, on the evenings prior to each quarterly meeting the council holds a free public event called Council Meets Community. Those events provide the

opportunity for community members to network, to meet council members and to hear from expert speakers on issues associated with climate change.

The council provides an annual report to Parliament each year so if members need further detail, I would refer them to that. Council has provided advice to government on a number of important issues and will continue to do so.

Mr WING - Who are the members of the council?

Mr McKIM - The Chair is Kate Crowley who is Associate Professor of Public and Environmental Policy at the School of Government; we have John Church who is a principal research scientist at the Wealth from Oceans National Research Flagship in Hobart - and by the way he is an IPCC member and a Nobel laureate. We have James Walch who is Chair of the TFGA Climate Change Task Force and Rhys Edwards who is Secretary of the Department of Premier and Cabinet. I have given you precised resumes of these people.

Mr WING - Thank you.

Mr McKIM - Roger Jaensch is the Chair of the Cradle Coast Authority; Noel Purcell is Group General Manager of Stakeholder Communications for Westpac and he is also an AI Gore ambassador. We have Adam Kirkman who is the Global Director Climate Change and Sustainability for Protiviti which is an international business risk consulting firm. He has been a member of UNFCCC expert panel on finance and investment flows. Ben Kearney will be known to many of you. Ben famously featured on front of the telephone book a few years ago -

CHAIR - A Coles Bay hero.

Mr McKIM - He is the Coles Bay baker and Tasmanian of the Year and Australian of the Year, local hero in 2005. There is Nel Smit, whom I know quite well from her work at Woodbridge School. She recently retired from there but Nel initiated and coordinated the Woodbridge High School sustainability program, which won more awards than we have time to detail here.

It is an incredibly well-credentialed council and I have absolute confidence in their capacity to provide independent advice to government, which is why the council was set up in the first place.

Mr WING - That is good. Was the Wedge report issued early last year?

Mr McKIM - Yes, it was publicly released in February this year by the former Minister Assisting the Premier on Climate Change, Lisa Singh. It is available in full, as we speak, on the DPAC Climate Change Office website. The Climate Action Council considered the report and I understand that advice and its consideration is now complete and that will be provided shortly to me. I have committed to making that advice publicly available. The Wedge report is publicly available. The Climate Action Council's advice to me will be made public at the time that it is provided to me. I am not in the business of sitting on a report like, for example, the Federal Government did with the Henry report while they figured out what they were going to do with it. I think that on an issue of this urgency and this importance everything should be fully transparent. The Climate Action Council's independent advice on the report's findings and the action that it recommends government should take to reduce our greenhouse gas emissions will be made public

in real time. We will then develop emissions reduction priorities and actions for the State off the back of that advice.

Mr WING - Early last year I wrote to the Premier, suggesting that we could save a lot of energy and power, even in government offices, if there were policies encouraging people to switch lights off when rooms were not being used, and pointing out that in the West Australian Parliament they do this. Even in the foyer of their Parliament during the day, they do not have lights on. It is a little dark but it is not necessary. The Premier sent me a copy of the Government's policy on this matter. I did not know whether that was the Wedge Report, but clearly it was not, last year.

Mr McKIM - No, I do not think that was.

Mr WING - Are you aware of the government policy on this matter and the document that I received from the Premier?

Mr McKIM - Yes, I believe you are speaking about the government framework for action on climate change.

Mr WING - Yes.

Mr McKIM - In general terms, energy efficiency has a key role to play in reducing Tasmania's emissions and I have sat at these Estimates committees on the other side of the table for many years -

CHAIR - And hammered home the points.

Mr McKIM - I have. I have asked to have copies of power bills provided and whether there have been plans implemented in the area of energy efficiency. In 2008 the Government commenced a program to reduce its greenhouse emissions in line with the framework for reducing the Tasmanian Government's greenhouse gas emissions and it is my understanding that energy efficiency has a key role to play for government to reduce its emissions as it does for any organisation.

[3.00 p.m.]

In terms of energy efficiency in buildings, which is I guess one of the things you are talking about - energy usage and energy efficiency - the Government has implemented many of the initiatives identified in the energy efficiency audits of 25 key government buildings that were completed in 2008 and that includes Parliament House. Agencies are now required to continue to monitor their energy use in their buildings through the Tasmanian Government Greenhouse Gas Inventory Project. The scope of that project has expanded to include the Polytechnic, the Skills Institute, the Academy, schools, Housing Tasmania premises, prisons, courts and other health care facilities.

The following initiatives contribute to increasing the energy efficiency of the government's buildings: prepared emissions reductions plans, established climate action teams to drive internal behavioural change, participation in networking opportunities across government including climate change workshops and a climate change intranet to facilitate ideas-sharing and also reporting on activities.

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Interestingly - and I have seen this building - the DHHS has also constructed its first zero carbon and highly energy efficient building, which is the Bruny Island community health centre in my electorate of Franklin, but I cannot see anyone else who would have an electorate interest in that sitting at the table.

CHAIR - We have an interest in Bruny Island. We recently visited.

Mr McKIM - It is a lovely place.

CHAIR - It is beautiful.

Mr DEAN - Except for that one fox down there.

Laughter.

Mr McKIM - Yes, I know that has been a longstanding interest of yours, Mr Dean. There is a lot of work being done behind the scenes and I know from my Corrections portfolio that the Department of Justice and the Corrections division of that department has been involved in many of those initiatives.

Mr WING - I am very pleased to hear that. Thank you very much.

Mrs TAYLOR - I am delighted that you have this portfolio -

Mr McKIM - So am I.

Mrs TAYLOR - particularly in light of what you have been saying for years, and now is the opportunity, we hope, for you to be able to further that. I note that some of the funding allocation for 2010-11 is for the establishment of a climate adaptation unit.

Mr McKIM - Yes.

Mrs TAYLOR - How is this unit and its strategies going to work in with the activities of local councils, particularly with those with major river or coastal boundaries within them? It seems to me that some of the councils without any guidance from State Government have been endeavouring to make progress on adapting but I think there is an urgent need for State Government leadership.

CHAIR - This is all my councils, the coastal ones.

Mr McKIM - Everyone's councils, Ms Rattray. I am really pleased that we were able to obtain funding for an adaptation unit. My personal view is that things are moving very slowly at a global level in terms of creating a framework to put an appropriate price on carbon and I worry, on a personal level, that we are leaving our run a little bit too late on climate change.

I think forward thinking governments will now start to consider what we can do to future-proof our communities against some of the impacts of climate change. One of the first decisions I made on becoming Minister for Climate Change was that we should have a look at what we needed to do in terms of adapting to some of the impacts - not just mitigation, although I do not want to take focus away from mitigation; I think it is an incredibly important thing that we do.

Local government has a crucial role to play and the adaptation unit will work closely with local government - as it will a range of other stakeholders - to make sure that we do things like, for example, integrating climate change data scenarios and protections into local government decision-making processes and the planning scheme. This is not only a local government matter but Tasmania's entire RMPS, Resource Management Planning System, needs to factor in some of the predicted impacts of climate change. Local government is obviously a key stakeholder in that - probably not the only stakeholder. We need to work with government agencies such as, for example, TasPort and DIER, to make sure that when we design, plan for and build infrastructure it is infrastructure that is future-proofed; that it is in the right place. We need to work with, for example, the Primary Industry agency along with other primary industry stakeholders such as the TFGA to understand what impact those changing weather patterns might have on the way we grow crops in Tasmania. There is a range of areas that this unit will work with, including the broader community. I could talk about this unit for 15 minutes and I am sure that you do not want me to, but I will say that I regard local government as a key stakeholder in the adaptation work that we will do. Interestingly, I met with Jock Campbell, the Mayor of Clarence, recently, and Clarence has been a very progressive council. At the risk of offending other councils, I would say that Clarence has been the most progressive

CHAIR - You will.

Mr McKIM - I am going to say it.

Mrs TAYLOR - Lauderdale is almost under water now, so I wonder.

Mr McKIM - Clarence has a number of areas that are very vulnerable to storm surge, extreme weather events and sea level rise. Quite responsibly, they have taken a very proactive role. I should also tell you that we have a partnership agreement with local government through the Premier's Local Government Council. Officers from the Climate Change Unit are meeting with LGAT later this week to discuss how we can work with them in the area of adaptation.

We are very focused on acknowledging local government's key role in this area.

Mr WING - What will you do in relation to the councils who are not in LGAT - council?

Laughter.

Mr McKIM - I am happy to meet with any council separately, as I already have with Clarence, and I am sure the office would be.

Mr GAFFNEY - Minister, I think that you raised a very good point regarding the planning. Many councils want to do the right thing and they are finding the delay in getting that to the table is affecting them, along with some of the threatened species issues that are coming out now with climate change. Will your group be taking a lead role in helping progress some of those issues - especially in your role within the Cabinet - to impress on your colleagues that there has to be more funding go towards planning?

Mr McKIM - No doubt we will take a leading role, and that is one of the reasons we have been able to create this unit. The fact that the funding for this unit is in the budget for this year, and through the out-years, effectively reflects a whole-of-government policy. I put the argument

to the Treasurer that we should do this, and worked closely with Mr Johannes on this. It was one of the first things I did after being sworn in as a minister. The fact that it is in the Budget - the Budget being a policy instrument - means that it is reasonable to assert that it is now a whole-of-government position. The other point I want to make is when the Premier talks in broad terms about the focus of this Government - and it is a government with two Greens cabinet members - he always talks of the top three priorities of sustainability, as one of the focuses on this Government. This certainly has not happened in my time in Parliament, and I would be astounded if it has happened that consistently, and with that priority in Tasmania's history, and I think that is a very good thing.

Mr DEAN - I have been asked by one of the local government areas what support will be offered by the State with regard to local government involvement in the wind farms. We have heard a lot about local government becoming involved in wind farms - Hobart have raised the issue, and George Town have raised the issue. Will there be any support from the State for local governments to have involvement in this?

CHAIR - Is it wind energy or wind farms?

Mr DEAN - Wind energy.

Mr McKIM - Are you referring to small-scale wind turbines on individual buildings, or some of the bigger proposals?

Mr DEAN - Both areas - on buildings in George Town, and also on a larger scale.

Mr McKIM - Small-scale turbines on buildings are a matter for local governments to assess within their planning schemes. I have an office in the Marine Board building, and I do not think we are too far away from bolting one onto the top of there. I am hoping, in the next couple of weeks, to visit the factory, or the assembly point, which I think is in Moonah somewhere, to have a look at that, and I am really looking forward to it being attached to the building. That is a matter that is dealt with by local government on a case-by-case basis.

In relation to the issue of broader industrial-scale wind farms, I am not aware of any contact with me or my office from local government asking for involvement in those - that is news to me - but I am happy to provide you with any further information we might have. If you want to write to me seeking more detailed information about that, and I would be happy to support it.

Mr DEAN - Thanks, Minister. It does ultimately relate to industrial sites, because we are talking about wind farms in the north-east.

Mr McKIM - This would be Musselroe farm, I take it.

Mr DEAN - Yes, quite obviously.

Mr McKIM - -Musselroe falls within Mr Green's portfolio areas because it is effectively being run through his area of responsibility. Musselroe has been in the planning stages for a long time and has been ready to go for some time.

CHAIR - We have had some works commenced.

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Mr McKIM - There have been preliminary works commenced, as I understand it. It is a very complex area. It involves Federal Government legislation in terms of renewable energy.

CHAIR - Which has passed.

Mr McKIM - Yes, that has passed recently. There was a massive flaw in their original legislation, which coupled some aspects of small-scale distributor generation with certificates for the large-scale industrial facilities. Some of those anomalies have been fixed by the amendments, or the bill that has recently been passed. Ultimately, that matter is now in the hands of the financiers and developers.

CHAIR - It looks much more attractive, given the changes.

Mr McKIM - I do not have formal advice on this, but as someone who has taken a keen interest in this area for a number of years, I believe that it would look more attractive. But it is in the hands of the financiers and developers at this stage.

CHAIR - It depends how bold the financial institutes are at this point in time.

Mr McKIM - They are waiting on the value of the RECs - the renewable energy certificates - to recover to a reasonable point, and to a point where they would think that the project was viable. There certainly has been a recovery in REC price, but it is not a matter for me - or probably anyone around this table - as to whether that price is good enough to allow people to have the level of certainty, in terms of their investment, that they may require.

Mr DEAN - Could I raise the solar energy issue? I have been asked to bring this to the committee and I am not sure whether it is your area, Minister, or whether you will push me on somewhere else.

Mr McKIM - It could be.

Mr DEAN - I think you strongly support the fitting of solar equipment to homes and houses, to assist with energy use in this State. Will you be speaking with Hydro or Aurora regarding the return for people putting energy from a solar system back into the grid in Tasmania? The return in this State is only \$369.60 for 1.5 kilowatts put back into the grid in a year. The next closest return is in Canberra which is \$831.43, and the other States are over \$1 000 or \$1 500. As the minister responsible for climate change, will you be addressing that situation to see whether or not you can provide a greater incentive for people to move into solar power?

Mr McKIM - This probably falls into my area of alternative energy, but I am very happy to answer it for you, with the Chair's permission. It does relate to emissions reduction, although in Tasmania a lot of our energy is generated by hydro so it is renewable. Some also comes in over Basslink and is generated in Victoria's Latrobe Valley - this is in no way renewable, and uses an incredibly emissions intensive way of generating electricity.

I think what you are referring to here is the feed-in tariff.

Mr DEAN - Yes.

[3.15 p.m.]

Mr McKIM - My party is a supporter of a gross feed-in tariff for Tasmania, which means that people would get reimbursed for all the power that they generate. It was a policy that we took to the State election. We did a lot of detailed work on that. It was not something that we managed to engage the Treasurer on. You win some, you lose some when you are a minister and when you are working within the constraints of a budget, but I remain very firmly of a view that a gross feed-in tariff as opposed to a net feed in-tariff would be a good thing for Tasmania.

The Government released a discussion paper last year from Bob Rutherford, who is the Deputy Secretary in DIER, which I was a little bit critical of at the time from memory but I have had a chat to Bob about that. Ultimately, there was nothing in this year's Budget for a gross feed-in tariff but it is something I remain committed to and I will be looking to progress this. New South Wales has got one in, by the way, so it will be interesting to see how that one goes.

Mrs TAYLOR - In relation to the \$250 000 that has been provided to fund research this year into the role of Tasmania's forests in sequestering carbon, what is the primary objective of this study and what might its relevance be for the talks underway at present on a better balance in the use of forest resources in this State?

Mr McKIM - There is a gap in our knowledge in Tasmania on emissions from the way we manage our forest estate and the sequestration potential and actuality of our forest estate. There have been studies done in forest types that are similar to the types that exist in Tasmania.

Brendan Mackey and a few others did a report that was commissioned, I think, by the Wilderness Society but they are ANU scientists. Forestry obviously is a highly publicised issue and that report was criticised vehemently by forestry interests on the basis that it was biased because it was funded by the Wilderness Society. How they can criticise someone of the scientific standing of Brendan Mackie is absolutely beyond me but they did.

That study was of forest types in Victoria, which are roughly equivalent to some of the forest types we have here in Tasmania and that found that those forests were among the most carbon-dense forests in the world. That means that when they are clearfelled or logged significant amounts of carbon are released, and that they actually sequester an awful lot of carbon - which can be very useful obviously as we seek to reduce our emissions.

This year's Budget certainly includes money for a study into matters associated with forests and carbon. It will not necessarily use the Kyoto Protocol's accounting rules. They have been roundly criticised, particularly in how they relate to forests and my view is that they are very old now; even when they were brand new they were no good. So, it will attempt to obtain a comprehensive view of the carbon contribution of the forest estate as a whole.

We need to firstly use some data that exists in the Commonwealth Department of Climate Change and Energy. That has a largely satellite-based data set and that can provide some basis for a carbon accounting analysis based on more comprehensive UNFCCC carbon accounting rules although we, as I said, will also need to do some ground-truthing on this in Tasmania, that is, actually going out and having a look at the carbon values of the different forest types in Tasmania.

I would like the study to be done by someone who is unimpeachable from either side of a highly politicised debate in Tasmania and that is my intention, to find someone, and I suspect that ultimately that person is likely to come from overseas because I do not want this to be treated as a political hot potato. I want to know the carbon values of our forests and particularly, I think all

Tasmanians would be interested to know the economic opportunities that do and will exist in the future as the world moves towards putting a price on carbon. That may exist for Tasmania in sequestering that carbon and making decisions perhaps not to log particular forests. So we need to identify current volumes of emissions and sequestration attributable to the Tasmanian forest estate, broken down into attribution to managed forests and conservation forests, including forests managed by Forestry Tasmania, and we can then disaggregate that into a management regime, where appropriate, into forests managed by private enterprise and forests managed and/or conserved on small private holdings, for example, owners of bush blocks or farms.

There are significant opportunities available in Tasmania. I have no doubt, as we move forward into a global framework or even a national framework, if that happens, which I sincerely hope it does, to put a strong price on carbon. I can talk at more length, if you like, about this. Again, I am quite passionate about this issue -

CHAIR - Probably at the end of the session.

Mr McKIM - After the session. I do not seek to derail the committee's scrutiny to the Budget in any way. But, again, this is something that has been long overdue in Tasmania. There have been a couple of very small-scale attempts to measure carbon in different forest types in Tasmania but no attempt of this scale in the Tasmanian context. I think it would be good to have some data so that we can inform our debates with data.

CHAIR - Have you identified any particular persons of interest at this point in time?

Mr McKIM - No, we have not yet but that is one of the things I will be working with the department with across the division.

CHAIR - Minister, in the Budget there has been money allocated for exploring renewable energy opportunities on the islands. Is your department, this particular department, involved or have they been requested to -

Mr McKIM - That has been managed through my responsibility as the Minister for Sustainable Transport and Alternative Energy . I am happy to take questions on that later in the day.

CHAIR - Thank you. Minister, in that case, we will leave this particular output group.

DIVISION 5

(Department of Infrastructure, Energy and Resources)

Output group 1

Infrastructure

CHAIR - Minister, would you like to introduce your team at the table?

Mr McKIM - They could probably introduce themselves.

Mr McILFATRICK - Norm McIlfatrick, Secretary of DIER.

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Mr PETERS - David Peters, Deputy Secretary of Infrastructure with DIER.

CHAIR - Thank you. Welcome, gentlemen.

Mr McKIM - I would welcome the opportunity to make a brief overview statement as I have in all the other areas this morning, if that is appropriate.

CHAIR - The committee have welcomed that brief overview, given that you are a new minister and it is good for the committee to understand where your priorities lie, Minister.

Mr McKIM - I am very proud to be Minister for Sustainable Transport and Alternative Energy and those two portfolio areas link up very closely with climate change, so we have an opportunity to deliver some synergies in this area.

Firstly, as Minister for Sustainable Transport, I think it is fair for me to say that simply the creation of this portfolio indicates a change in thinking from the Government in the way that we move people around. There is no doubt that as peak oil starts to bite and prices go up and the cost comes onto carbon that we are going to need to significantly review the way that we transport not only people but freight around Tasmania. I think there are significant opportunities for us to build a world-class passenger transport system in Tasmania.

Improving public transport systems and change in people's behaviour to decrease dependence on travel by car can obviously play an important role in lowering Tasmania's carbon footprint and it can also help future-proof Tasmania against the likelihood of large, sudden or sustained increases in oil prices which will happen at some stage. There is a bit of debate when that will happen -

Mr DEAN - It may not happen overnight.

Mr McKIM - I am sure that we will see oil prices significantly higher in the future than they are now at some stage and we need to make sure that we do the work so that we can keep running an efficient transport system in Tasmania.

There is also the issue of making cycling and walking more attractive transport options.

CHAIR - From Scottsdale, Minister?

Mr McKIM - In fact I have just announced to the Premier today a feasibility study on a Hobart to Smithton cycling track and Mr Gaffney I know will be interested as will a range of other people at the table. That will include a coastal cycleway -

Mr McILFATRICK - Via Scottsdale.

Mr McKIM - Thank you for that advice, Mr McIlfattrick. There are various views on the route but this feasibility study will assess that but everyone I think is in agreement that there would be a coastal cycleway along the north-west coast of Tasmania, which I think would be a fabulous thing, especially considering the culture of cycling.

CHAIR - I do have a cycle but it is a motorcycle and it is a Honda VTR250.

Mr McKIM - Is it really? Do you pop wheelies on it?

CHAIR - No.

Mr McKIM - Anyway, I rode up to the domain today with the Premier at lunchtime to announce that.

I just thought it might be of interest to the committee to deal with any areas of potential confusion about what is my responsibility, what is Ms Giddings' responsibility and what is Mr Greens' responsibility. As Minister for Sustainable Transport I have responsibility for three primary pieces of legislation and that is the Passenger Transport Act 1997, the Taxi and Luxury Hire Car Industries Act 2008 and Metro Tasmania Act 1997 and I am also a shareholder minister with the Treasurer for Metro. I think Metro has a large role to play along with the private sector and the department in improving passenger transport in Tasmania. I am very happy to place on the record that I think passenger transport has been under-invested in in the past and that is something that I am going to work very, very hard to address. We have made small steps towards redressing what I think is an investment imbalance into passenger transport in this Budget but it is something that I do not regard as a fight that has anywhere near been won yet and it is my job to go into bat and bat hard for increased funding for passenger transport and I do intend to do that.

The Passenger Transport Act covers the administration and operational aspects of public passenger transport services including operator accreditation and the provision of core passenger transport services. The Taxi and Luxury Hire Car Industries Act ensures the safe provision of transport service by a demand-responsive taxi system and ensures a distinction between taxis and luxury hire cars, and the Metro Tasmania Act provides for the provision of road passenger transport services by Metro Tasmania, which is a State-owned company and, as I said, I am a shareholder minister in that.

[3.30 p.m.]

In the area of energy the Energy minister, Bryan Green, has responsibility for Aurora, Transend and Hydro Tasmania and as such Musselroe Wind Farm which we were discussing earlier falls within his area of responsibility but I am responsible for smaller distributed energy possibilities, other new renewable energy proposals and developments in Tasmania and also for energy efficiency.

CHAIR - So you overlap on output group 2 - energy, policy and advice then?

Mr McKIM - There is an energy policy unit within DIER which does work for both Mr Green and me.

CHAIR - It is not allocated to our particular committee, hence my question about input into the renewable energy options - both wind and wave energy for the islands.

Mr McKIM - Are these the Bass Strait islands? I certainly do have some responsibilities in those areas.

CHAIR - Given that we do not actually have a line item for that, before we begin the output groups in relation to passenger transport would you care to make some comment about the way that you are going to drive that project forward on behalf of the islands?

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Mr McKIM - The previous Government allocated \$350 000 for energy efficiency projects on the Bass Strait islands and that was to be managed by the Office of Energy Planning and Conservation. The Office of Energy Planning and Conservation did liaise with both Bass Strait councils. If you have received this from Minister Green I am happy to -

CHAIR - No.

Mr McKIM - The office liaised with both Bass Strait Island councils as well other stakeholders in developing a project which will be delivered under a formal agreement with each to the Bass Strait Island councils. Those agreements were signed very recently, on 18 June, by the Flinders Council and the Crown and King Island Council on 21 June this year.

The first grant instalment of \$125 000 to each of the councils has been paid as a result of those agreements. The projects will be implemented under the terms of the agreement in the coming year. They include installation of solar hot water systems to residential customers which will be the main focus of the project and participants will receive a rebate of \$1 000 through the program and they may also be eligible for the \$1 000 Commonwealth solar hot-water rebate and, in addition to this project, \$1 million over the next four years has been allocated in this budget to encourage smallscale renewable energy innovation on the Bass Strait islands. I can provide you with some further details on that funding.

CHAIR - Could I take that at a later time because I am mindful that this was not really in our output groups.

Mr McKIM - If you would like to put that question on notice, I am happy to provide you with details.

CHAIR - Do you support rail transport as passenger transport?

Mr McKIM - I do. We have a freight rail system in Tasmania and, regrettably, apart from some smaller tourist rail operations, no passenger rail transport in Tasmania. I suspected that I might get a question on light rail from Mrs Taylor -

Mrs TAYLOR - Lots of questions.

Mr McKIM - and I did want to give her the opportunity to ask those questions on behalf of her constituents but in response to your question I could say yes, I do support it. I think that it has a role to play in a contemporary passenger transport system.

Mrs TAYLOR - I have a number of questions and some of them are quite specific. Congratulations for the funds set aside for examining the light rail option in southern Tasmania, Hobart to Glenorchy, Glenorchy to Hobart or Granton to Hobart or wherever, or maybe Brighton to Bridgewater to Hobart as Brighton Council I know is very keen to see. Will you commit to ensuring that the existing corridor stays in place, irrespective of the findings of that study?

Mr McKIM - That corridor is absolutely crucial to providing passenger transport options into the future, and I would not be happy at all if that corridor was not to remain in place. I have a view, as minister for passenger transport, that we need a passenger transport solution from Hobart CBD out to the northern suburbs, and we need to look at delivering that beyond Glenorchy.

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I can provide further information today, that has not been made public before. So this is an exclusive to your committee.

CHAIR - You do not have a handout, Minister?

Mr McKIM - No, I do not, but I do have some information for you and it relates to the \$350 000 to prepare a business case for the development of light rail in the Hobart area. We have not finalised the terms of reference for the business case, although I can confirm that it will specifically look at the proposal, developed by Ben and Kristie Johnson, to utilise battery rail vehicles on the existing rail alignment. The northern suburbs rail corridor is an underutilised piece of transport infrastructure and it provides a potential alternative and, importantly, congestion-free, transport route from the northern area into the Hobart CBD and beyond.

The business case will assess the costs of developing and operating such a rail service, and the likely demand for such a service. It will also look at the broader benefits that may be derived from reintroduction of rail services, which may include opportunities for urban redevelopment in that area, as well as carbon emissions and congestion reduction.

I can announce for the first time today that we will establish a community advisory panel to assist us with framing this study, and we will be inviting a range of people to participate on this community advisory panel. I can indicate, firstly, that we will invite a representative from the Northern Suburbs Rail Action Group, which is the group that Ben Johnson is involved with.

Mrs TAYLOR - It is much bigger than that, now but it was instigated by the Johnsons.

Mr McKIM - Three local governments - Hobart, Glenorchy and Brighton - will be invited to participate, along with TasCOSS, the Planning Institute of Australia, the University of Tasmania, Future Transport Tasmania, Metro and the Sullivans Cove Waterfront Authority. I can confirm that the panel will have a chairperson who is independent of the department.

Mrs TAYLOR - Good.

Mr McKIM - This is about making sure that we have full community consultation around this study and the development of terms of reference for this study. There is significant cross-party political momentum behind this project. There is also significant community debate momentum behind this project. We are determined to have not only a good look at this project, but an independent look at this project, and we think the creation of a community advisory panel will not only result in a good process, but will make sure that the community is able to contribute to the terms of reference.

Mrs TAYLOR - Thank you. Will this community advisory panel be engaged to set the scope of the project, or do you have the scope already?

Mr McKIM - No. The terms of reference have not been finalised. In fact, any terms of reference are yet to be finalised and that will, I expect, be one of the key roles of this group. You might end up on there, Mrs Taylor, you never know.

Mrs TAYLOR - I probably have enough to do. You are expecting that the current rail route, or the current corridor, will be considered in that study?

Mr McKIM - Yes.

Mrs TAYLOR - And the current gauge track, as well, as part of the business case?

Mr McKIM - Those matters of detail can be assessed by the panel and also by the study, but I would not want to commit to simply just using the current gauge track at this stage. It may be that there are other and better solutions in terms of the utilisation of that corridor, but certainly that track is there and it can at least potentially be used, but I will need to wait and see what this study throws up.

Mrs TAYLOR - Can you advise when the study is likely to begin, when it is expected to be completed and publicly released?

Mr McKIM - The money is in the financial year which begins tomorrow. I cannot see any reason why it would not be completed in that financial year, but again we need to pull this community advisory panel together first and that is a priority for us. Once we have done that, we can then start to look at engaging people to do the study itself, on the business case for the development of light rail.

I do not want to place any unreasonable expectations or constraints on them, in terms of the timeline, but the money is in the budget for this financial year and I certainly cannot see any reason that it could not be completed next financial year.

Mrs TAYLOR - I am asking that question, and I think it is too late - I think the horse has bolted - but the timeframe was important in light of the upcoming federal election. We are obviously not going to complete it before the next Federal election, but what happens if the business case for the light rail is found to be sound? It is likely that we would need Federal funds to pursue it. We have nothing forward in the budget.

Mr McKIM - It is likely that we would need Federal Government support for a project of this nature. All that I can do, as a relatively new minister, is move this forward as quickly as possible.

We have got the money to do the business case in the budget. I expect, no matter what occurs, the Federal election is now coming sooner rather than later. I expect it will almost certainly be this year. I would not anticipate we can get this done before the Federal election, but that should not preclude any members from lobbying for funding commitments from candidates in the Federal election, and I would encourage them to do so.

CHAIR - Is it a marginal seat, Minister? That always helps.

Mr McKIM - You are dealing with Denison, and potentially a little bit of Lyons, and it goes across the Bridgewater bridge. Is Denison a marginal seat?

Mrs TAYLOR - It is more marginal than it has been in the past.

Mr McKIM - With Duncan Kerr's retirement it is probably a little bit more marginal than it has been in the past, but down south there is a view that most of the marginal seats in Tasmania are in the north-west.

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Mrs TAYLOR - If there is seen to be at least some action happening, it gives people more chance to speak to Federal candidates. If it is seen to be a long way off, then it would be nice to get some kind of commitment.

I notice that this output has funds for the development of park-and-ride facilities. What process is going to be used to identify the areas to benefit from these facilities, and what sort of liaison will occur with local councils?

Mr McKIM - I should firstly indicate that there is an allocation for park and ride, which I am very happy about, because I think it can help us solve some of the commuting and traffic congestion problems that exist, not only in southern Tasmania, but in northern Tasmania as well.

[3.45 p.m.]

We have \$750 000 per annum, for the next four years, to pursue park-and-ride facilities, and I am very pleased about that. The first cab off - I should not use first cab off the rank in this context - the first bus off the rank will be the trial facility we are establishing at Denison Street in Kingston. This trial is intended to commence next month and I went down and visited that site a month or so ago. It will operate at least for 12 months on a trial basis. We have upgraded the parking facilities in collaboration with the Kingborough Council. We are going to provide passenger shelters and I hope other infrastructure such as bike racks and so forth and Metro will be substantially increasing the frequency of services that pass the parking site down there at Denison Street. We will monitor the results of this pilot project and use the results of the trial and subsequent studies to inform the development of similar facilities in other areas of the State.

I should also inform the committee that as that work is progressing, DIER will be undertaking a study to identify other locations for park-and-ride sites, particularly in greater Hobart and Launceston. The Launceston City Council has already established a park-and-ride operation from the Inveresk Railway car park to the Launceston CBD and we will examine the effectiveness of that as part of our work in the Launceston area. It is our intention that sites will be sorted in accordance with guidelines that identify the factors likely to maximise the success of park-and-ride facilities.

We have an opportunity here to deliver a better service for people. Kingston was chosen for a number of reasons but mainly because there is significant traffic congestion down in that area and it was identified as a good place to conduct a pilot study. Ultimately, what we need to do in broad terms is make passenger transport more flexible, more convenient and more responsive to people's needs, and as affordable as we possibly can. I think that park and ride, in the right areas and done properly, is a real opportunity to meet the needs of the community.

I did a petition down at Kingston before the election, probably six or eight months ago, and had a very strong response down there for a park and ride at Kingston. I hope that it is a success and that can inform some of the decisions we make.

Mr McILFATRICK - The council and Metro are key partners in this. We could not have done Kingston so quickly without the Kingborough Council and Metro. If we put a park-and-ride in without an enhanced service from Metro, it will fail, so we will be talking to each of the councils in that greater Hobart area to look at where the best opportunities are.

Mr McKIM - There will be five extra buses morning and night from Kingston.

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Mrs TAYLOR - Can I suggest - and I do not know about the Kingston one - that you make it win-win solutions in that where you situate park and rides might be suitable for park and ride Monday to Friday but then possibly new parking areas for sporting facilities -

CHAIR - This is more like a conversation and not a question.

Mr McKIM - It is. I was just going to tell how I have been working with the church at Kingston to share their parking facilities but anyway.

Mr DEAN - I am glad the minister raised the situation at Launceston because it has been underway for about 12 months. It cost the council \$250 000-odd per annum. Will there be support out of this Budget to assist the Launceston City Council to continue with the park and ride that is already operating in Launceston?

Mr McKIM - I will not commit to that now but I will not rule it out either. We are aware of what the Launceston City Council has done. We are very pleased that they have done it. That was a good initiative and good value for their ratepayers in the Launceston City Council. We will be happy to work with council as we assess our options around the Launceston area.

Mr DEAN - Thank you for that. The other matter I wanted to raise, Minister -

CHAIR - On park and ride?

Mr DEAN - It is in relation to the first issue of the light rail.

CHAIR - There is one more here on park and ride and then we will be out of park and ride.

Mr WING - Minister, I was wondering if you would mind telling us how you have been working with the church at Kingston on this issue?

Mr McKIM - Thank you, Mr Wing. What a surprise. Just very briefly, the church is on Denison Street, across the road from the Denison Street car park, and the car park that DIER is using effectively works as an overflow car park for the church when church services are on, but the fact is the church is on the right side of the road for the bus shelter, so the church is kindly allowing us to construct a shelter there and in return for that - in my understanding, and I will be corrected if I am wrong no doubt by the secretaries - we are sealing a pre-existing car park and we have told the Church that it is fine for the parishioners to use that on the weekend when we will not operating the park-and-ride services. It is a good example of how you can work constructively with different organisations to deliver good outcomes.

CHAIR - Thank you. Mr Dean's question on light rail.

Mr DEAN - Minister, you may be aware that Launceston City Council, in conjunction with the tram society have been looking at a light railway into the city, in and around the city from Inveresk park-and-ride, similar to that concept. Will you have a look at that as well, could we engage you in that project? It is not on as big a scale as the northern suburbs one here but certainly it has been discussed. I think the cost has been identified at about \$5 million.

Mr McKIM - Is this from the Inveresk site into the CBD?

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Mr DEAN - Yes, that is right. Two or three different routes have been identified. It is being considered at this stage and the State Government will be approached on that.

Mr McKIM - I am not aware of the details of that proposal. Is what you are informing the committee of that it is being worked on by the council?

Mr DEAN - In conjunction with the tram society with the support of the Launceston City Council.

Mr McKIM - I would be happy for the department to have a preliminary look at that with a view to understanding what the proposal is and to see whether there is anything that we might be able to do to assist. I make the offer if the council or the society or anyone else involved would like to drop me a line, I will facilitate them getting in touch with the department and we can take that from there.

Mr DEAN - Thank you very much.

CHAIR - Minister, I have spoken on the Budget recently about the issue of passenger transport services outside of the urban areas into regional areas. Do you have any plans or any initiatives in relation to expanding passenger services - bus services - outside the urban areas?

Mr McKIM - We do have \$3.5 million per year available for the next two years that we will be investing into passenger transport.

CHAIR - Can you identify those areas for the committee?

Mr McKIM - We have not made all of our decisions in relation to that; we have made a decision to allocate \$2 million over the next two years to support the delivery of additional bus services on our key urban fringe bus routes.

CHAIR - How far is the fringe?

Mr McKIM - The department has a modelling process that will determine that.

Mr McILFATRICK - In our contracts that were recently signed with the operators there is a service requirement for them to develop a community-based service development plan which says where they would see opportunities to expand services. They would then bring those plans back to us and, in fact, they have already brought the draft plans back. That would probably be the basis for prioritising where the additional services should go - it might be a night rider service from Richmond into town or whatever, but until -

CHAIR - What about Launceston to Campbell Town?

Mr McILFATRICK - What we are saying to the operators is, 'You tell us what your customers are saying and then we will prioritise that.'

Mr McKIM - The demand information has been fed in by the operators who have talked to their customers about where there are the major areas of demand. We need to make sure that we get the best bang for our buck that we can in these areas. But as Mr McIlfatrick was saying, the

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information that we will base our decisions on is information that is brought to the department by operators as they have developed business plans.

CHAIR - Is there a key name in personnel that can be contacted in the department to feed that information into?

Mr McKIM - I am happy for you to contact my office and we will make sure that you are put in touch.

CHAIR - You have already got the letter.

Mr McKIM - Have we? When did that arrive?

CHAIR - In amongst all the other requests. There was a lot so I will be in touch. That is fine. Also another area of interest given that I look after the islands is passenger transport for isolated children who live on the islands. There is a component of the subsidy that is provided but it is my understanding that that subsidy does not cover the whole cost. Is there a whole cost recovery of transport to and from the island?

Mr McILFATRICK - I think whether it covers the whole cost is determined by what choice they make about transport. Say they are going from Flinders Island to -

CHAIR - To Launceston and then from Launceston into the city.

Mr McILFATRICK - That is probably going to be covered but in some cases I think some children are also going from one of the islands to Devonport and then travelling to Hellyer College.

CHAIR - That is it.

Mr McILFATRICK - If they all hopped in a taxi separately then it would not be covered but if they can coordinate themselves - so there is a bit of work going on with the college to see how that can be coordinated. It is something we are looking at on an ongoing basis but generally it should be that it covers the gap between them being able to travel to a local school or to a remote school.

CHAIR - I suggest that not every time do all children travel on and off at the same time, hence the sharing of the taxi is not always an option. I would hope that the minister might look at a policy of full cost recovery for just those transport aspects.

Mr McKIM - Yes, Ms Rattray, now that you have mentioned Hellyer College the penny has dropped for me -

CHAIR - I did it in a roundabout way.

Mr McKIM - which particular issue you are referring to. As Mr McIlfatrick said, I think there is some work being done on this issue at the moment.

CHAIR - Thank you.

Mrs TAYLOR - I have one more question on 1.7. Can the minister tell us what the primary focus of the oil price vulnerability study is that you refer to at 6.9 and whatever the findings are, will you undertake to make them public?

Mr McKIM - Oh yes, I will certainly undertake to make the results public. I am not aware of any real work being done by any other State government or Territory government around Australia on this issue.

It goes to basically understanding what the impacts of a sudden or sustained increase in oil prices might be. I did speak a little bit about this in overview, Madam Chair, but what I do want to say is that the Tasmanian economy, like a whole range of other economies around the world, is likely to have a significant exposure to oil price rises and shocks in oil price. Particularly in the Tasmanian context we have very long supply chains for imports and exports and many of our industries including mining, forestry, fishing and farming have significant use of petroleum products. Other industries such as tourism that we are very reliant on are quite vulnerable to significant increases in oil prices and therefore transport costs and of course it will mean that it will be more expensive for people to come here.

This was something that I thought we needed to do some preliminary work on to understand what our vulnerabilities might be in this area and also to understand in public policy terms how we might respond to a sudden and sustained increase in the price of oil around the world. I am not sure how deep the committee's understanding is about the issue of peak oil. There is plenty of debate going on in governments and no doubt on the blogs and in the various other media forums on this issue. There is a good argument, I think, that we are likely to see significant oil price increases in the coming years. Some people think it will be sooner, some people think it will be later, some people think we are seeing the start of it now. Ultimately, that is part of what I would see this study assessing and also, importantly, to identify sensible policy settings that can assist in mitigating those identified risks in some of those areas that I mentioned.

[4.00 p.m.]

This is really about putting in place the first step to developing what I think will be a necessary public policy challenge, facing one of the long-term or medium-to-long-term policy challenges facing Tasmania and other governments around the world.

Possible components of this study might include an economic analysis of relative oil dependence - and there is the Monash model that might be helpful there; additional analysis on where real price increase may lead to discontinuous tipping points for some industries; consider what we can do now to mitigate our future exposure to oil price shocks; a scenario analysis of the ways we might live and work, for example, in 20 years' time; and identify implemental steps to make a difference and to generate good public policy around this area.

As a Greens minister, this is something that I am very focused on. I have always prided myself that the Greens are a party that looks long term and takes the long-term view of things and I think this is one demonstration of the fact that I do think, if we do the work now, we will be in a better place as a future government with this work being done to better protect and insulate our economy and our people from some of the impacts of peak oil.

Mr DEAN - I have a question in relation to the taxi industry, Minister. You would be aware that about three years ago now we debated and changed the legislation through the Parliament that provides for the issuing of a certain number of new licences at the end of each year. In a

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newspaper recently there was a story about a company saying that that is having a detrimental impact on their business, that they are now required to work longer hours for less and it is impacting terribly on drivers and employees. Minister, will you give an undertaking to have that legislation reviewed and assessed as to whether it has returned a better service? Is it being reviewed?

Mr McKIM - I think we reviewed that in 2008 when there were reforms to taxi licensing and those, as I think you are alluding to, Mr Dean, were intended to deliver a more financially sustainable, service-oriented taxi industry.

There are a few points to make here. Owner-operator taxi licences do provide greater opportunity for operators previously unable to afford a perpetual licence, to purchase their own licence. In accordance with the Taxi and Luxury Hire Car Industries Act 2008, owner-operator taxi licences must be offered for sale annually by the department. There is no requirement for them to be sold, they just have to be offered for sale and if no-one wants to buy a licence in that particular year, it is simply removed from sale when the next year's tender is called.

Provision for owner-operator taxi licences is made in the act and these licences can only be operated by the licence holder. That is, they cannot be leased and may be cancelled without compensation. These restricted-ownership rights justify the lower assigned value relative to perpetual licences.

No more perpetual licences will be released. Purchase of those licences is driven largely by speculative investment by people who generally are not directly involved in the delivery of taxi services and we have a view and I share the view that this is harmful to industry and cost structures and sustainability.

The new licences for 2009 were advertised for sale by tender in August 2009, and there has been a strong demand for those licences in the Hobart taxi area. In 2008, all 11 licences were sold in the Hobart area, and in 2009 nine licences were sold, with a further three expected to be issued shortly. In other areas, licences have generally not been taken up. For example, in 2008 owner-operator licences were sold in Launceston and Perth - in areas that would be of interest to you - and the Huon Valley, but in the 2009 release only the Perth licence has been sold. There is little or no demand for licences, at the moment, in most other areas.

Given that this act is a 2008 act, that was based on a significant reform, it is a little bit early to review it. I think we should let the processes bed down before a review. My view, in general terms, is that it is not unreasonable to review an act after five years because I think that provides enough time for data to be gathered and for impacts to be assessed. I would be more than happy for that act to be reviewed, but I just think it is probably a little bit early to do it at this stage - unless there is a strong, particular argument for that to occur.

If you would like to get in touch with me more directly with the detail of any concerns that you might have, I would be more than happy to respond to those.

Mr DEAN - Minister, I will do that because the industry have contacted me, so I will approach you.

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CHAIR - Before we suspend for a cup of tea and a break, I would like to incorporate into the *Hansard* the ruling from the Honourable Sue Smith MLC, President of the Legislative Council, relating to the issue about Ms O'Connor, and the placement at the table.

Mr McKIM - Thank you. I very much appreciate that, and I thank the President.

CHAIR -

'Hon Nick McKim MP, Minister for Human Services and Minister for Community Development has been granted leave by the House for which he is a Member to appear before and give evidence to Legislative Council Estimates Committee B in relation to the Budget Estimates and related documents relevant to those portfolio areas.

The Minister has requested that Ms Cassy O'Connor MP appear before and give evidence to this Estimates Committee in his stead and in his absence.

I have declined this request.

On the question of the Minister delegating his functions to another Member to be present during the examination of the estimates for the departments for which he is responsible, I rule as follows.

In accordance with the Messages transmitted between the Houses it was clear that the Legislative Council, having appointed two Estimates Committees reflecting the distribution of Government Ministers' portfolio responsibilities, requested the House of Assembly to grant leave to all Ministers to appear before and give evidence to the relevant Council Estimates Committee in relation to the Budget Estimates and related documents.

The House of Assembly granted this leave on 17 June 2010 and transmitted its concurrence to the Legislative Council by message of the same date.

Ms O'Connor is not a Minister of the Crown. Ms O'Connor is the Secretary to Cabinet.

It was a matter for the House of Assembly at the time it debated the Message from the Legislative Council to seek the Council's agreement to a resolution to reflect its desire for the Secretary to Cabinet to appear and give evidence on behalf of the relevant Minister. This did not occur.

Accordingly, the Minister for Human Services and the Minister for Community Development cannot delegate his functions and responsibilities to another Member for the purpose of the Legislative Council Estimates Committee hearings relating to portfolios of Human Services and Community Development.

If present, it is a matter for the Minister as to whom he directs to respond to questions on his behalf in accordance with the Standing Order 225 and usual practise.

On the question that I am able to table the internal advice to me on this matter, this is not the usual practice and the above provides my reasons for ruling as I have. Accordingly this request is denied consistent with past practice.

Copies of the relevant Messages between the Houses are attached.'

Minister, I provide that copy to you.

The committee suspended from 4.09 p.m. to 4.24 p.m.

1.8 Passenger transport innovation -

Mr GAFFNEY - I know you are passionate about this area and you have given us a bit of an overview already, so I will ask a few question, and if I have missed something that you would like to elaborate on, then can you

Mr McKIM - That sounds entirely civilised.

Mr GAFFNEY - No allocation was made in the 2009-10 budget for this area, so what is the basis for the budget allocation of \$3.5 million per annum over the course of two years? Where did that figure come from - how was that derived? What were the major considerations, in regard to the Tasmanian passenger transport framework, that led to this amount being determined? How does it respond to the recommendations from the framework?

Mr McKIM - The amount was derived, as these things are, in negotiations between the minister and the Treasurer in the process of the budget formulation. It was not based exactly on any policy commitment made by either Labor or the Greens in the lead up to the election.

CHAIR - As much as you could squeeze out of him.

Mr McKIM - That is one way of putting it. The urban passenger transport framework is a framework that focuses on incremental linked actions to support alternative transport modes to private cars. Public transport - and in the Tasmanian context particularly, bus transport - is one of those alternative transport modes.

It is important to understand that the framework is government policy. It has been endorsed by Cabinet and released publicly on 30 January this year. The framework describes six key action areas to improve the passenger transport system in Tasmania. It is moving minds, which is about promoting alternative transport and encouraging changes in travel behaviour. It is about moving places, which is better integrating transport and land use planning to reduce reliance on private cars.

It is about moving people, and that is actually making improvements to the public transport system. It is about moving policies, including actions to better manage the accommodation of cars in urban developments. It is about moving legs, which is about actions to provide environments in which walking and cycling are encouraged and viable. And about moving

forward, which is about adopting a long term approach to integrated land use and transport planning.

Those two things, land use and transport planning, are inextricably linked, or should be. The framework highlights the interdependence of those action areas. Delivering on the framework in full is a massive job. The framework is publicly available for members who would like to look at it, and it will require a commitment to broader reforms in land use and transport planning, and removing the incentives which exist for the use of private vehicles.

The Government's preliminary actions to implement some areas of the framework will focus on specific local initiatives including park-and-ride facilities, market research, and marketing and branding through Metro Tasmania. We made an announcement last weekend about some of the market research that Metro is engaged in, including surveying people who do not use public passenger transport, to see what the barriers are to the adoption of public transport.

Other initiatives are State Government ride sharing, and service development with urban fringe bus operators.

They are the initial actions we are now implementing in relation to the framework. Some of those will be funded through the \$3.5 million per year for the next two years. Others have already had funding allocated, such as the \$750 000 per year for the park-and-ride facilities.

Mr GAFFNEY - I have some more questions here.

Mr McKIM - I am sorry if I jumped in and gave you an answer before you were ready for it.

Mr GAFFNEY - Is the \$3.5 million per year for staff and oncosts? What is the figure for staff and oncosts in that \$3.5million?

[4.30 p.m.]

Mr McKIM - Would you like an answer to that one now, Mr Gaffney? I am happy to respond to that. We have not made all of the decisions, yet, about how that \$3.5 million will be allocated but some of it will be used to provide for staff because passenger transport in DIER are working flat out at the moment with quite limited resources to deliver what I hope will become a more and more ambitious program over time and we do need to take that into account. But also, of course, we need to put a lot of that money out on the ground to improve services. So it will be a combination of staff and dollars out on the ground to improve services.

Mr GAFFNEY - Is there a dedicated staff number you have that are responsible for this section's innovations?

Mr McKIM - For this \$3.5 million?

Mr GAFFNEY - Yes.

Mr McKIM - I would have to get back to you on that but it would not be a significant percentage of the total.

Mr GAFFNEY - The funding is currently set for two years. Is that a trial phase for the project or is the view that the project is to be culled or amalgamated or continued? It is interesting that for something like innovation there is only a two year block.

Mr McKIM - It is my personal view that not only should that funding be continued, that in fact it should be increased as we move forward. Ultimately, that is what was delivered in the Budget by the Treasurer. Building an improved passenger transport framework in Tasmania will take time, it will take money and we will need not only to deliver better services but, as I said earlier, shift some hearts and minds in relation to passenger transport in Tasmania. I have a view that we will need to invest significantly in that. However, that money is what the Treasurer was able to deliver for us in that Budget but I will keep working hard to get more money in this area because I believe we need more money in this area.

Mr GAFFNEY - I am interested to see how you evaluate the effectiveness of this area. It is all right to say that you may need more money. What do you have in place to evaluate and who is going to do that assessment to give the reason for getting more money?

Mr McKIM - It has just been suggested to me that one way that we could conduct that analysis would be to count bums on seats in our passenger transport network. Governments prioritise all the time. Decisions are made to fund a particular thing over and above another particular thing and part of my job, as Minister for Sustainable Transport, is to go into bat for our passenger transport system to be better funded. There are many ways that I could do that including looking at the relativities of how passenger transport is funded compared to, for example, funding for new roads in other Australian jurisdictions. I have a view and I have articulated this many times, that we spend too much building new roads and not enough on public transport and I still remain very firmly of that view and I will be arguing that strongly through the budget formulation process in the future.

Mr GAFFNEY - I have no problems about that. This particular line item is innovation, not just passenger transport. So what I am trying to find out is how you are going to evaluate if the programs you put in are not innovative or if it is just part of passenger transport, you just may as well make the budget bigger. If it is innovation, how do you measure the innovation and whether that has been successful because therefore you will set your case to ask for more money for more innovation?

Mr McKIM - Yes, we absolutely will and innovation is a difficult thing to measure. There is no internationally accepted unit of measurement for innovation that I know of. But, ultimately, what we are trying to do and what we intend to do with this money is to make passenger transport more responsive to the needs of the community and I probably cannot put it any better than that. We will need to be innovative in the way that we do that. Some of the time that will simply be by simply increasing services in particular areas. Other times we will look at some technological opportunities that might arise for us but we will be making judgments about that in the future.

Mr GAFFNEY - If it is innovative, that means that you are either going to continue something that has been just instigated or there is an idea that you want to follow through with because it is something that has not been on the radar before and you want to experience and put some money into that to make it effective. I looked at the recommendations and there are probably three areas there that innovations could float around.

Mr McKIM - Which are those three areas?

Mr GAFFNEY - Probably the consolidation of population around designated transit corridors which you have spoken about, high frequency public transport delivered with high quality infrastructure and perhaps adopting a long-term approach to integrated land use in transport planning. They are the three that I thought and a lot of those, with all due respect, are big bikkies. It is a lot of funding. If out of the two years with this \$3.5 million, one of that innovation could be to create a case that is good enough to get more funding, I would accept that that is innovative. If it is just to get bums on seats then you might as well just shove it back into the other public transport and just continue on. I think that in two years' time I would really like to see where there has been some innovation and just not a continuation of where we are neglecting and we are behind.

CHAIR - Do you think you are on notice, Minister?

Mr McKIM - No.

Mr GAFFNEY - That is question two.

Mr McKIM - I am very happy to be put on notice in this area. I would agree that some of those are long-term strategies and will require more than my ministerial input. I am not the Minister for Planning, for example. There is certainly a need to better match planning and particularly urban and suburban planning with passenger transport opportunities and existing passenger transport services. It would be highly innovative if we were able to achieve more funding for innovation going forward in passenger transport. I am happy to have your support in that.

Mr GAFFNEY - I will see that as a benchmark.

Mr McKIM - Okay.

Mr FINCH - I just want to come back to the subject of cycling. It was interesting that your previous ride with the Premier was up to the top of Mount Wellington and this was a much shorter journey.

Mr McKIM - It has been unkindly referred to by Minister Green as 'break back mountain'.

Mr FINCH - Yes, but this time you just headed over to the domain.

Mr McKIM - We did, at lunchtime today. I am fully oxygenated.

Mr FINCH - It was a much shorter chat as you covered a lot of the subjects on the way up to Mount Wellington.

Mr McKIM - We did.

Mr FINCH - And of course you left your ministerial petrol-guzzling and diesel-guzzling vehicles behind.

Mr McKIM - Yes, I have not been in that vehicle today.

Mr FINCH - I am wondering whether you would like to see greater financial support to local councils to help them develop their trails and their bike-riding opportunities. I speak for a particular issue in my electorate, the link between Beaconsfield and Beauty Point. We have been striving for many years to get that sorted out, for something to be developed there because you cannot take a long walk between those two locations simply because it is far too unsafe with the road that we have.

Mr WING - On that road it is difficult taking a drive.

Mr FINCH - You have a point there. I am sure if the West Tamar Council had more support they would look to provide that link that would suit all ages and be a really good innovation for that community on the West Tamar.

Mr McKIM - Firstly, I am not familiar with that road.

Mr FINCH - Come up and you will hear about it.

Mr McKIM - I will come up at some stage. If there are problems with the road, I hate to buck pass but you will need to ask - well, Norm is saying you can ask him but it is not in this output group so he would need Minister Giddings. Norm is saying that he is happy to come up with me and have a look at this road and I am happy to come up and have a look in terms of cycleways.

I am determined, as is the Premier, to do everything we can to promote cycling not only as a recreation opportunity but actually as an opportunity to encourage more sustainable commuting in Tasmania. The urban passenger transport framework does recognise cycling and the contribution that cycling can make to urban transport systems. We have a strategy, the Tasmanian Walking and Cycling for Active Transport Strategy - do you come up with these names, Norm?

Mr McILFATRICK - No.

Laughter.

Mr McKIM - It is a beauty. We will use that strategy to provide planning, investment and decision-making within government. There is some extra money in this State Budget for cycling - \$2 million off the top of my head. We are not in my area strictly speaking now. That money is allocated to the Department of Economic Development because they have Sport and Recreation in there. DIER works closely with the Department of Economic Development in relation to that funding. My personal view is that cycling infrastructure should not just be viewed as recreational infrastructure; we need to do a lot more to encourage commuting.

As I said earlier, there is a whole range of things we can do there: Yes, build cycle lanes - which is the obvious no-brainer that people think of when you are talking about cycling - but also provide facilities, particularly in government buildings, such as showers, lockers, bike racks, secure places to get changed and so forth, so that there is more being done to encourage people to cycle or to rollerblade or jog or sea-kayak to work. I am not for or against any particular method of human-powered transport; I think they are all in the mix and they all need to be encouraged.

That is a long-winded way of saying that I have not been up and I do not know the specific issue that you are referring to, but we will keep doing all we can.

Mr McILFATRICK - There is currently a program that West Tamar could get involved in with Sport and Recreation, so it may be well worthwhile talking to them about it. But it might be worth even talking to the mayor about how they can access that sport and recreation.

Mr McKIM - So what Mr McIlfatrick is saying is that there is funding available. If you have the Minister for Economic Development in, - actually, it is Minister O'Byrne in this case - it is a great question for him and you can tell him that I said you should ask him.

Mr FINCH - Congratulations on putting this focus of a bike ride between Hobart and Smithton, it is fantastic.

Mr McKIM - It is a long-term proposal.

CHAIR - The member for Western Tiers is already training.

Mr DEAN - The bikeways and bike tracks in Launceston and the one that we are now working on, the concept into the northern suburbs, and even further afield - there is talk about trying to get that through to George Town and to connect the two areas up. There is money in the Budget this year I noticed and will some of that be released, as I understand it, to the Launceston City Council for the progression of those bike paths?

Mr McKIM - That will be a matter for Minister O'Byrne.

CHAIR - We seem to be crossing over here a bit.

Mr McKIM - We have strayed a little bit.

CHAIR - I know that you have an interest, Minister, and so do all the members but I am also mindful that we have an interest in disability services and housing as well.

Mr McKIM - Could I just indicate - which might be helpful and it is within our output group - that DIER is intending to create a cycling network plan for not only Hobart, but also for Launceston -

Mr McILFATRICK - For each city.

Mr McKIM - for each city in Tasmania. That cycle network plan it will include Glenorchy. The department will be working with each council on that and that will help provide a bit more planning and frame work.

CHAIR - Do you have a question in reference to Glenorchy, Mrs Taylor?

Mrs TAYLOR - This is not really about Glenorchy, this item is about passenger transport innovation. I waited for a long time anxiously for the Urban Passenger Transport Framework and it is good, I am very happy with it, it is a lovely vision, and moving minds and moving places, all wonderful statements, terrific desirable objectives -

Mr McKIM - We are moving.

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Mrs TAYLOR - Yes, moving everything, legs. I asked: where is the strategic plan that goes with this, where are the actions that go with this? I was told, 'This is not an action plan, this is a framework'. That is lovely and the motherhood statements are fantastic, highly desirable objects, but you have \$3.5 million in the Budget this year and \$3.5 million next year, so can we please have a strategic plan and an action plan which actually say what the \$3.5 million this year and next year are going to be spent on?

Mr McKIM - Yes, you will have that; that is being worked on at the moment.

Mrs TAYLOR - And when?

Mr McKIM - Well, I have seen many ministers come and go and miss deadlines that they have imposed on the fly, so I am not going to do that - but it is a very high priority for us.

Mr WING - In terms of public transport there is an obvious lack here. I met a former visitor from Hong Kong to Tasmania who did the Cradle Mountain-Lake St Clair walk, went to the east coast and would have liked to see more of Tasmania, but he said that it was very difficult because of the lack of adequate public transport here.

Mr McKIM - Are you talking about passenger transport in regional areas here?

Mr WING - Public transport outside of the cities.

[4.45 p.m.]

Mr McKIM - Yes. I have done the Overland Track more times than I care to remember because I used to work as a guide on it and there is no doubt that when I was there - and we are going back over a decade now - it was certainly very difficult to get to and from each end of the Overland Track back in those days.

To be honest, I am not sure what the arrangements are now but I presume it is Tassielink or someone like that would run that service. Part of what we need to do undoubtedly is to improve passenger transport in regional Tasmania and, as I indicated earlier, there will be a million dollars per year for the next two years out of that \$3.5 million to implement more bus services in regional Tasmania. Those decisions will be made based on business plans that have been developed by operators after consultation with their passengers on where the highest areas of demand may be.

Mr WING - This person was backpacking. He did not have trouble with public transport in New Zealand - he was very complimentary about that - where it was easy to get from one place to another but in Tasmania it was very difficult and he was unable to see quite a few places he would have liked to see.

Mr McKIM - That is a shame. Thanks for bringing that to my attention, though without knowing the specific details of where he wanted to go -

Mr WING - The west coast was one place.

Mr McKIM - There certainly are buses to the west coast.

CHAIR - Very limited.

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Mr McKIM - From what they call the coast which is the north-west coast. Yes, no doubt about that, they are -

CHAIR - The same for the east coast as well which is in my correspondence.

Mr McKIM - Although I have to say on the east coast there is one operator - I cannot remember the name of his business now - who won a prize at the Tas Bus industry dinner for the expansion in his business progressively, so there is good news in this area as well.

CHAIR - He might be a good operator to contact, Minister, if he has a bit of initiative like that.

Mr McKIM - Yes, I will have a good chat to him on the matter.

CHAIR - Mrs Taylor, the last -

Mrs TAYLOR - I have two short innovation questions.

CHAIR - Very short.

Mrs TAYLOR - They are both about innovative ideas and they might be ones that come up in your strategic action plan.

Mr McKIM - No worries.

Mrs TAYLOR - Will the minister commit to establishing the first government-owned electric car recharging site somewhere? I am happy to have it in Glenorchy council - or anywhere or in Launceston - as a practical demonstration of your commitment to alternative energy and as a good demonstration of innovation, recognising there will be very few users in the first instance but if nobody establishes a charging station, there will never be any users.

Mr McKIM - I have followed the debate about electric cars for some time. There are a range of things that need to be taken into account. I am not going to commit to that today on the fly.

Mrs TAYLOR - I did not think you would but I thought I would ask.

CHAIR - Good try.

Mr McKIM - But I certainly take on board what you have said. I certainly would not rule out a charging station or a network of charging stations into the future for electric vehicles. I think they are a highly prescriptive technology.

Mrs TAYLOR - Thank you, and the second question in terms of innovation is: has there been any assessment made of the desirability of using electric buses in urban areas?

Mr McKIM - Not that I know of.

Mr McILFATRICK - Not recently. The latest look at real alternative fuels for buses was the Legislative Council committee or joint committee -

CHAIR - Alternative fuels.

Mr McKIM - I was on it, actually.

CHAIR - You were on it. You did not travel with us much but you were on it.

Mr McILFATRICK - Certainly the move recently has been to more efficient and environmentally friendly fuels. I think the change to electric vehicles would need a big change to the fleet. It is much easier to change to, say, a Euro fuel or a biofuel than it is to go to electric but I would not think it is something that is off our medium-term agenda, it is just trying to get the most efficient use of the fleet we have.

Mrs TAYLOR - It is future looking, isn't it?

Mr McKIM - Yes, and a couple of things: they are not really about alternative fuels but they are about better environmental outcomes. The development of some of the work that the department has done in relation to private sector bus companies has resulted in a lot more certainty in that area and there has been a lot more investment in new buses by the private sector, which is a very good outcome for safety, reliability and for the environment. Metro has just ordered four new buses which meet all the latest European diesel standards - diesel these days is a very good technology, environmentally. It is not as good as electric -

Mrs TAYLOR - But it is still a fossil fuel, and you are talking about peak oil and -

Mr McKIM - There is no doubt at all. It is still a fossil fuel, but it has come a long way in the last 10 years, driven by regulation in the European market. We have a long way to go, but we are making early steps -

CHAIR - There is too much talk about fossils, Minister, let us move on.

Laughter.

Mr McKIM - I am only a young minister, I thought.

CHAIR - You are not the fossil.

Mr McKIM - Just checking.

CHAIR - I am not looking at anybody. We will move on to output group 6.

Output group 6
Transport subsidies and concessions

6.4 CSO: Payment to Metro Tas Pty Ltd -

Mr FINCH - Minister, there is a lot of information in point 14 on page 6.9 about the increase in money provided for long-term capital requirement, increased cost and increased demand for services. Is that allocation sufficient to cover people who need entitlements and concessions to be able to use the Metro service?

Mr McKIM - Are you asking specifically in relation to Metro?

Mr FINCH - Yes.

CHAIR - It is 6.4.

Mr McILFATRICK - The Government Prices Oversight Committee sets - sets a reference about the concession framework and how equitable it is, and we have made a lot of changes over recent years with school buses, et cetera. If you are talking about the availability of the general concession, I think we have the right mix, but it is something that, as economic conditions change, we will be wanting to look at it to make sure that it continues to be the right mix.

Mr FINCH - I am curious about representations that might come to Metro in respect of people who find the fares are out of their range - perhaps people who use the bus more. Is there a better allocation to them?

Mr McKIM - It would be great to be able to provide a free service for everything that Government does, but there is a significant CSO payment to Metro, and within the constraints of its operating framework Metro does a good job to keep prices down. I am just wondering if I have my Green card with me, but I do not think I have - no, it is in my wallet in my office. When you buy a Green card - and I have just signed off on a letter that you will all get to let you know about the benefits of Green card - when you buy \$20 worth of credit on a Green card, Metro will give you an extra \$5 for free, and when students put \$10 on they get \$12.50 instead of the \$10. If you use Green card you are getting some free travel, simply by choosing to use an electronic card. Every Metro bus has a swiper, and you just put your card on the tray on the way in, it reads the card and deducts the fare from your card.

There are things that Metro is doing to bring down the cost of passenger transport, but I accept that some people will struggle at times with the fares for public transport and that is important, because public transport has a crucial role to play in addressing social disadvantage. Some people simply cannot afford to own and operate a motor vehicle and they actually rely on our public transport system to get around. If those people are struggling with the fares, that is certainly an issue.

Mr FINCH - As we have heard from Mr McIlfatrick, there is a review of that and constant monitoring of it.

Mr McILFATRICK - Metro is constantly looking at it. It is probably more of a GBE inquiry, but they very much aware of them - they are providing a public service and I have found them to be very flexible in trying to meet customer needs. One of our issues is to get more full fare paying passengers onto Metro, to take the pressure off and make it a more viable business all around.

Mr FINCH - Yes, that is the thrust of what you were saying, Minister. The explanation of point 14 in respect of this output group refers to supporting Metro's long-term capital requirement, and increased costs, et cetera. What things are we talking about with respect to capital?

Mr McKIM - For Metro?

Mr FINCH - Yes.

Mr McKIM - That would be buses, the maintenance equipment - the things you need to run a business enterprise such as Metro.

Mr FINCH - The increase we have had from 2009 - and we have something like \$4 million extra in the Budget - is that because of increased costs of buses?

Mr McKIM - Some of that would be due to increased costs but, as I have just indicated, Metro has recently ordered four new buses for its fleet, and that would have part of the general rollover of the fleet. Metro makes decisions, and I am a shareholder minister. If Metro is making appalling decisions I would want to know why, but I do not think it is. I have every confidence in Metro and the CEO, Heather Hazelgrove, to make good decisions. I think Metro has come a long way in the last five years or so, and is in the process of transforming itself into a twenty-first century public transport provider - I am very excited about Metro's future. The expenditure of that money is effectively made by Metro, not by anyone sitting at this table, but the sort of things that it would be expended are new buses, and facilities, if needed - new bus shelter and those type things.

Mr FINCH - Thanks, Minister. Thanks, Chair.

Mr WING - Madam Chair, I am impressed with the flexibility of Metro and the preparedness to go on different routes to accommodate the needs of people. But apart from peak periods, I regularly see very large Metro buses almost empty. I understand that this is more economical than having smaller buses in off-peak periods, but I would welcome a comment on that.

Mr McKIM - I have discussed the issue of bus size with Metro and with the CEO, Ms Hazelgrove, who recently attended an industry expo in Melbourne. This is not to be perceived as formal advice, but for the committee's interest, there were, I understand, some small buses that may suit Metro at the expo. The Greens released policies about smaller Metro buses in the lead-up to this election, and that is something Metro is looking at. There are various things that would need to be considered and, ultimately, as in independent agency - not a part of the department as such - Metro will make its own decisions on those matters, and that is entirely appropriate. I am aware that Metro is looking at some smaller buses to see whether they might fit within its operational parameters, and whether they would provide an increased level of flexibility, particularly in terms of timetabling. That would allow Metro to provide a more flexible service to its customers and therefore attract more people onto passenger transport in Tasmania.

Mr WING - using less fuel.

Mr McKIM - Absolutely, and good environmental outcomes. We have all seen a big Metro bus, with one or two people on it, drive past us. It happens quite often, and that is something Metro is having a look at, and I fully support them doing that.

[5.00 p.m.]

Mr DEAN - And far less wear and tear on council roads as well. The big buses churning the roads cause immense damage. So that is an advantage for it.

Mr McKIM - That is absolutely true.

Mr DEAN - We have gone to more friendlier-type buses - the ones that are being purchased now. Adelaide have had their gas-powered buses for many, many years. Is that now not seen as an acceptable fuel for buses?

Mr McKIM - I sat on the Legislative Council committee that was chaired by Mr Parkinson, who would be known to you. I am guessing it was in 2003. Various government agencies submitted to that committee that looked at compressed natural gas. Gas is also a fossil fuel, obviously. The fuel itself remains the same, obviously, but the diesel technology has come a long way since the days of that committee.

There is no work that I am aware of being done on compressed natural gas. There are some issues that perhaps Mrs Taylor was alluding to in relation to electric cars where you do need to have some seed investment into providing refuelling infrastructure and so forth. Ultimately, I expect that time may have passed CNG by as an option for Tasmania - I am not entirely certain because the committee did make some strong recommendations. But you are talking seven or eight years ago now.

As Mr McIlpatrick reminds me, there is a liquid natural gas trial for heavy vehicles which is still currently underway, I believe, in northern Tasmania and that may provide further information around gas as an option.

Mr DEAN - Thank you.

6.5 School bus operators: contract services -

CHAIR - Do you need any change in personnel at the table, Minister?

Mr McKIM - I don't think so.

CHAIR - Obviously this particular area indicates that there is a newer and safer bus fleet for school buses across Tasmania. Can you give me the average age now of the bus fleet and what it was previously before this review?

Mr McKIM - I don't think I have that unless Mr Peters has that information.

Mr PETERS - Yes, I do.

Mr McKIM - The average age of the fleet is 15.5 years. That varies across category. There is good news here, 18 months ago the average age was 21 years and it is now down to 15.5 years, which is a significant decrease in average age, I am sure you would agree. That is as a result of a lot of very hard work in the department and a lot of commitment by private sector operators, I might say, off the basis of the increased certainty that they now have.

They basically have been given, via contractual arrangements, a greater degree of certainty which has allowed them to make investment decisions that they didn't feel comfortable with making in the past and they also get, potentially, capital assistance as well from government.

CHAIR - Is that 15.5 years the level that we expect to stay around?

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Mr McILFATRICK - I think the big six-year change has been very rapid because it has been a take-up by the industry. I expect there to be a continued reduction but it wouldn't be of the same scale. But the advantage of the change has also been that the buses, both new and maybe upgraded buses have different features with them as well so you get small buses with seatbelts et cetera.

CHAIR - Do you have any reductions in school bus routes given that there are some smaller areas that obviously have lower numbers of students now?

Mr McKIM - We are happy to take that on notice.

CHAIR - Thank you. I would be happy to have that information at a later time.

Mrs TAYLOR - I am a bit reluctant to ask this question because I do not want you to think that I do not support subsidies for schoolchildren both rural and urban. However, I note that the annual payment is close to \$19 million. There is a relatively small population of schoolchildren in Tasmania so can you tell us what is the average annual subsidy per child -

Mr McKIM - Per child? I do not think we have that here.

Mrs TAYLOR - For urban bus travel and also those for rural and regional because there is obviously going to be a difference. Do not take this the wrong way because I am not saying I want it to stop but there might be better ways of doing it.

Mr McKIM - I will take some advice on that. My advice is that it would be hard to get it for you for this committee.

Mrs TAYLOR - I understand that.

Mr McKIM - Either a question on notice here or perhaps in the Council and we can work on it.

Mrs TAYLOR - If you take it on notice now that would be good and then I will not need to ask it in Council.

CHAIR - It is always good to put them on the Notice Paper, though.

Mrs TAYLOR - Okay.

Mr McKIM - It is up to you. We can take it on notice today.

CHAIR - Are you happy to put it on the Notice Paper, Mrs Taylor? Otherwise the committee will have to leave it open.

Mrs TAYLOR - Yes, if you like. Yes, that would be fine.

CHAIR - Are there any other questions in relation to school buses? Obviously it is pleasing to see the age of the fleet come down. The safety of our schoolchildren on roads is absolutely paramount so I am certainly supportive of that.

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Mr DEAN - I have a question in relation to the school bus stop areas. There was recently a complaint which I think DIER would have in relation to a stop at Lebrina. It was indicated that one of the reasons for changing it was that it was difficult for the bus to get up the next hill and therefore it needed to keep going to get up this hill and they moved the stop.

Mr McKIM - Oh, the run-up required.

Mr DEAN - That is right. What consultation takes place with the families that are dependent on those school buses for the service for their students? In this instance they have to walk up a very narrow country road, which is dangerous.

Mr McKIM - If a complaint or a concern raised has come into the department that will be dealt with through the normal departmental processes. In terms of consultation prior to the determination of where a school bus stop should be, I am actually not aware of how that has worked. I presume that is a DIER issue but I might do the hospital handball to Mr McIlfatrick to see if he can do anything better with it.

Mr McILFATRICK - It is one of those things where feedback from the service operators is important because they have the direct contact with the families and you have an expectation not just that we give the money to the contractors but they provide the service. You would be aware that families change over time and some bus stops might be under-utilised and so we will need to keep an active eye on that, but it is never going to be perfect. Over about the last 12 months we have had some issues that we have resolved by negotiation with the bus stops away from major intersections et cetera, so it is a continuous improvement issue and if something comes in then we will work with the local community. It is a difficult one to go out and say where would you like the bus stop. Let us work through it in customer practice, I guess.

Mr DEAN - A complaint is in your office somewhere, I think.

Mr McILFATRICK - We cannot remember seeing it but we will look for it.

CHAIR - Thank you, Minister. I believe we might have incorporated 6.5 and 6.6 there.

Mrs TAYLOR - I have a question on 6.6. to do with a matter of concern to all of us and that is the reports of attacks on drivers of buses. I am very pleased to see the recent initiatives there have been to try to overcome that problem. Has there been a reduction in the number of reported attacks as a result and is there more that can be done?

Mr McKIM - I presume you are talking about Metro.

Mrs TAYLOR - I am, yes.

Mr McKIM - We don't have that information here. That would be a question better asked during the Metro GBE hearings later in the year but if you would like to get in contact with my office I will make an inquiry with Metro as to whether there has been any reduction in that area. I cannot ask you to put it on notice here because it is not really a matter for the department. I will do my best to provide that information.

CHAIR - Minister, can I take you over to the Transport Access Scheme and I have one question. It is a significant increase in the budget allocation so have the services been expanded

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and is that why we have a significant increase? Have there been any requests that have not been able to be met in relation to this scheme?

Mr McKIM - I will get Mr McIlfattrick to answer.

Mr McILFATRICK - It is demand driven. It is one of those things that the system is there for, which is open access to people who require it, and we have had an increase in demand. There has been some adjustment in the last year in terms of the rules that have been set for shared vehicles.

Mr PETERS - It is more the fact that the number of people eligible for the scheme has grown significantly and they are travelling.

CHAIR - There have not been any requests that have not been able to be met in relation to people with disabilities and their access?

Mr PETERS - It is administered item and when the claims come in they get paid.

CHAIR - Thank you.

Mr DEAN - You said that there had been a significant increase in passenger demand. Where have those significant increases been and in what areas of passenger demand and locations?

CHAIR - It is disability.

Mr McKIM - Before either Mr McIlfattrick or Mr Peters answers that question I would like to make a general comment that increases in demand for public transport is a good thing. It costs more in terms of top ups but it is good thing and we would like to keep paying out more in these areas because it reflects a continued increase in demand for passenger transport.

Mr DEAN - I support that it is a good thing; that is why I want to know where it is.

Mr McILFATRICK - Are you talking about the access or generally that bus service route?

Mr DEAN - Just going by the note on page 6.32 'increase in the Transport Access Scheme reflects significant increase in passenger demand'.

Mr PETERS - The Transport Access Scheme is for people with permanent severe disabilities and mobility, particularly wheelchair-bound people. They get access to taxi vouchers. We currently have 25 500 people who are members of the scheme and that is growing at about 2 000 a year. There is quite significant growth in the number of people who are accessing the scheme and those who are accessing the scheme are travelling more. There is not a limited number of trips they can do a year.

Mr DEAN - That is maxi cabs and so on.

Mr PETERS - Any taxi travel but certainly wheelchair accessible taxis are specifically for that.

CHAIR - On that note, we will leave your area of sustainable and passenger transport.

Mr McKIM - Thank you to Mr McIlfatrick and Mr Peters and everyone else who has come down.

DIVISION 4

(Department of Health and Human Services)

Output group 3

Human Services

3.3 Disability Services -

[5.15 p.m.]

Ms O'CONNOR - Can I ask the Chair for an indication of how we are going to work this, given that I am going to give an overview of the portfolio and there will need to be questions so how are we going to do that?

CHAIR - What I suggest is that the minister take his place at the table.

Ms O'CONNOR - The minister will sit at the table but because I need to have my advisers around me, it is practical for him to be here as he is required to under Standing Orders but I need people to advise me in the portfolio.

CHAIR - I understand. So what I will do is invite the minister to hand over to you.

Ms O'CONNOR - Okay.

Mr McKIM - I would like to hand over to Ms O'Connor.

CHAIR - Thank you, Minister, we appreciate that and as the Cabinet Secretary has indicated, she would like to make an overview so we invite you to make a brief overview given that we are probably going to run out of time. We will do our best to get in some questioning as that is what we came for.

Ms O'CONNOR - Sure.

CHAIR - Are you going to give an overview on both Disability Services and Housing?

Ms O'CONNOR - Yes.

CHAIR - Together?

Ms O'CONNOR - Yes.

Thank you, Madam Chair. The first thing I would like to point out is that the State Government has made a significant investment in Human Services this financial year with the budget increasing from last financial year from around \$290 million to this year \$312.8 million.

We are, as members of the community would be aware, undergoing significant reform in Disability Services and there has also been in the Housing portfolio a major investment from the

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Commonwealth and State governments in building our social and affordable housing stock and also meeting our commitment to halve the number of people who are sleeping rough by the end of this year. We have delivered on key election policies. I am sure my former colleague on the Community Development Committee would be very pleased to hear that we are investing \$4 million across the forward Estimates in a reformed community equipment scheme. The Community Development Committee produced a damning report on the state of the community equipment scheme in Tasmania which determined that there are numerous inequities particularly in the rural and regional areas and that the system as it is currently administered is, to put it plainly, making very vulnerable people's lives very difficult.

We have also invested \$2.6 million over four years in an elder abuse strategy. Members of the committee would be aware that Tasmania is the only Australian State that does not have a strategy to protect the around 3 000 to 4 000 elderly Tasmanians who are either experiencing physical, financial or emotional abuse or are at risk of doing so and I am happy to detail how that strategy will be implemented as we go into questions.

We have also invested \$8.6 million over four years in the Disability Gateway Services. This is a national first service and it builds on the gateway for children and families and I am sure we will go into more detail there. The objective of those reforms is to improve service delivery for Tasmanians living with disabilities, their carers and their families and also to identify those areas of unmet need in disability services. Because we are in a major process of reform the State Government allocated \$7.6 million across two years for reform transition funding.

We have invested \$1 million to support Tasmanian children living with autism and their families to help provide outreach and counselling services and to build the capacity of Autism Tasmania to reach out to more families of children who have autism.

We intend to establish a disability commissioner because once you move into this reform process you will need to have, I believe, an independent oversight capacity of how services are being delivered by the non-government sector but we are working through now how that might best fit in. Members would be aware that we are currently undergoing reform of the Disability Services Act and we intend to introduce that bill into Parliament in the spring session. We are in the final stages of consultation now. That act is clearly outdated and not equipped to adequately deal with the reforms that we have implemented.

We are also investing \$3.3 million over four years to strengthen community services and in Housing there has been a major investment - \$156 million will be spent on capital works and other housing programs. That is a significant lift in funding, principally through nation building economic stimulus package funding, but we also have housing funding going in this year.

As I mentioned, we are on track to halve the number of homeless. We have announced \$4 million for a private rental support scheme and private rental tenancy support scheme.

I acknowledge that in this portfolio there is a lot of work to be done, but I am really proud to sit here as the Cabinet Secretary with responsibility for disability services and housing, because we are doing some incredible work in this area of the portfolio.

Mr WING - You, and those working with you, deserve congratulations in achieving a significant increase, both in this year and the next. I acknowledge how important they both are.

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With the significant increase in the Budget this year, could you give us an indication of how most of that increase will be spent?

Ms O'CONNOR - Is this in Disability Services?

Mr WING - Yes, we are just dealing with Disability Services now.

Ms O'CONNOR - Okay.

CHAIR - Yes, 3.3.

Mr WING - My comment related to both.

Ms O'CONNOR - Mr Wing, I presume you are principally looking for a breakdown of spending and those areas that it will go into?

Mr WING - I am just interested in where the majority of the increase will go because there is an increase of \$14 million or \$15 million.

Ms O'CONNOR - \$16.2 million.

Mr WING - Oh, right, that is even better.

Ms O'CONNOR - Yes.

Mr WING - Where will the majority of that be used?

Ms O'CONNOR - There is \$8.6 million going into the establishment of gateway services in the south, south east, north and north-west. Those services have been provided by Baptcare and Mission Australia. They were the successful tenderers. The gateways will provide a common assessment tool for people with disabilities and their carers, and they will provide individualised case management. They will also help us, as a Government, to identify where the gaps are in service provision and what the areas of un-met need are. Given the success of the gateways, with regard to children and family services, that this will be a successful model for delivering better services to Tasmanians living with disabilities. That is a significant investment. And, because reform costs money, we are investing \$7.6 million into reform transition costs. Some of those moneys will be allocated to staff who are currently in disability services, but who want to move into the non-government sector - we will provide some incentives for them to do that. For other staff there will be re-deployment. That accounts for the \$16.2 million.

In relation to the community equipment scheme reforms, independent consultants will be providing a report to us on how to implement that new scheme by the end of July. We want to make sure that we provide a more streamlined service and that the appropriate technological assistance equipment will be available when and where it is needed. The details of the Community Equipment Scheme reforms have yet to be worked, but we are absolutely committed to making sure that we deliver that program. Anyone who has read the Community Development Committee's report on that scheme could not help but be moved by how many Tasmanians are currently missing out on, or waiting far too long for, equipment they need.

We have signed a bilateral agreement with the Commonwealth to provide more services and individual support packages - we are not only reaching our targets, we are exceeding our targets in the provision of individual support packages, so that is where some of the extra money will go. It is important to note that the extra \$1 million going into the organisation which supports families of children with autism is really critical. I have met with Autism Tasmania and ATAC, another organisation that represents children with autism, and it is estimated that there is around one in 160 children born with autism spectrum disorder. It is a very difficult experience for the families of children with autism and it also presents wider society challenges in education, in health and in human services.

I would like to point out to members of the committee that Autism Tasmania is currently conducting a census of Tasmanian families who have children with autism and that will help us guide policy development and programs in the future.

Mr WING - What services and funding are available to give respite to families with severely affected autistic children?

Ms O'CONNOR - We have a range of respite services. We acknowledge the critical importance of providing respite services to families and carers, and making sure that people with disabilities - children with disabilities - are provided with respite in a nurturing, caring environment where there are good recreational opportunities. Anyone who has been to places like Cosmos Recreation Services and Oakdale and Aurora would recognise that there are the most extraordinary people working on the ground in the non-government sector to provide respite. But, I will go to some more detail -

CHAIR - Ms O'Connor, do Asperger's syndrome children fit in that same area?

Ms O'CONNOR - Asperger's is regarded as being in the autism spectrum.

Mr WING - Last year there was a big problem, where a scheme in the northern suburbs of Launceston was being scaled down and funding was being withdrawn, but I think that has been largely overcome.

Ms O'CONNOR - Is this the A Team?

Mr DEAN - Yes.

Ms O'CONNOR - That is a program, as you would be aware, Mr Dean, funded through the Education department and it is the responsibility of Lin Thorp. We recognise that it is a very good program and I understand that funding has been allocated, going forward.

CHAIR - For one year only.

Mr DEAN - Yes, that is right.

Ms O'CONNOR - I am not going to talk about that, because it is not my portfolio responsibility.

CHAIR - - I am just a tad confused about the fact that it is under the same area, if you like, and yet it belongs somewhere else.

Mr WING - For education.

CHAIR - Yes, but I am just wondering, why the separation? Why would it not come in this area?

Ms O'CONNOR - It is an educational program for children with Asperger's, to make sure we maximise the chances for them to have a successful education. We certainly work very closely with the Education department on this, and I have had conversations with the minister about the A Team, but it is a program run by the Education department. We have broad responsibility for disability services - autism spectrum disorder is a disability, so that is why we are responsible for early intervention and support services in the community.

CHAIR - I was just wondering why it was not included, but I will ask the minister a question in relation to the policy on that.

[5.30 p.m.]

Ms O'CONNOR - I would like to inform the committee that disability children's respite services are in the process of being outsourced to the community sector, as part of our reforms to disability services. As part of this process, the Disability Services area officers worked with the then Reform and Implementation Unit to identify the respite needs for children under the age of 18 years in each of the four disability - child, infant, family - service delivery areas. A Disability Services area officer completed service-user profiles for the Reform and Implementation Unit, which identified the number of children currently accessing Disability Services respite services - the age range, disability types and pattern of respite usage and future respite needs for each of these children. There is a focus on each individual child. In addition to this, the reform and implementation unit worked in partnership with the Association for Children with Disability and TasCare to develop a survey for families of children accessing disability services, centre-based respite or have previously accessed this service or are intending to access the service. A creative family support option survey was delivered to families during September and October last year, providing an opportunity for these families to have direct input into the way respite services are delivered. I should indicate to the committee that families indicated that they want the respite experience to be positive for their child, and that is completely understandable, including support from the service to reach developmental goals and for the respite stay to be fun, interactive and enjoyable. Families also indicated they wanted access to non-centre-based weekend and school holiday activities, which would provide flexible respite options.

The age range for respite service for children and youth in this proposal was five to 18 years. This matter has been raised in the public domain by my shadow portfolio holder, Ms Petrusma, but there is no demand for centre-based respite for children under the age of five. This has also been identified through national and international research that centre-based respite is not an appropriate option for children within this age group. It is clear that they are better off in a family environment. I want to also pass on to the committee that I have had some discussions with Margaret Reynolds from National Disability Services. There is a critical issue here with the ability of parents who have children with disabilities to access mainstream child-care services and this is something that the State has to work with the Commonwealth on. It is also where we need to engage in a conversation with child-care providers about how we enable parents of children with disabilities, particularly young children under the age of five if they need child care, to access mainstream services.

Mr WING - The Giant Steps program at Deloraine -

Ms O'CONNOR - That falls within the Education portfolio.

Mr DEAN - Regarding the supported accommodation waiting list, which is referred to on page 5.19 - these are only projections and I accept that - I just noted from the projections that they are identifying a similar position as we move through the years. Can that be explained to me why the waiting list remains static on 39 for 2007-08 actual, actual in 2008-09 of 33, target 2009-10 is 34, target for 2010-11 is 35 - that is, the projected waiting list for supported accommodation?

Ms O'CONNOR - Mr Dean, as it is across Human Services in both disabilities and housing, demand for services is increasing. We are constantly investing our budget in reducing the waiting lists. For example, figures from April 2010 indicate that the waiting list for community access support has risen to 136 and that is an increase of 67 people from the same time last year. That is a significant increase and I acknowledge that. Accommodation support, which includes short term - as Ms Jacob has pointed out to me, community access support was provided to 1 508 people during 2008-09 and it is anticipated that 1 602 people will receive community access support in 2009-10. We are working very hard to reduce the waiting list and to provide these services but the bottom line is that demand keeps going up.

Mrs TAYLOR - Further to that question from Mr Dean, you say that the number of supported accommodation clients, and that there are approximately 35 or so on the waiting list, do you think that is the real level of the waiting list or is it like public housing where the actual demand is much higher than the statistics suggest?

Ms O'CONNOR - They are the figures that we are working on at the moment because that is the known quantity, but I suspect you are right, Mrs Taylor, that the level of demand is higher.

I recently attended a disability minister's conference in Adelaide and there is some really interesting work being done on a supply, need model where we look at the services that are being delivered, we look at the level of unmet need that is known and I hope the ministers adopt the supply, need model as that is certainly -

Ms JACOB - It is still being worked on.

Ms O'CONNOR - It is still being worked on and I suspect what that model will do is identify the level of unmet need in the community is much higher. But it will help disability ministers and Cabinet secretaries run very strong arguments with Treasury about the hard numbers and we are talking about people who are not happy with their, sometimes, fundamental needs for services met. Certainly I will be arguing for the adoption of that model at MINCO.

Mrs TAYLOR- It would seem to me that was borne out by the fact that the more places you provide the more, in fact, latent need comes out.

My second question is, regarding the additional capital infrastructure that you refer on page 5.21, where is that going to be located? Why were these areas chosen and what is the timetable for availability?

Ms JACOB - Are you talking about disability accommodation?

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Mrs TAYLOR - Yes. In Disability Services you say, 'The number of clients will continue to rise'.

Ms O'CONNOR - It is a \$5.6 million investment.

Mrs TAYLOR - As additional capital infrastructure becomes available.

Ms O'CONNOR - So we had Commonwealth funding to provide the 16 new units of accommodation across the State. Universal design but I am happy to table the addresses and the descriptions and the number of people who will be housed in the north-west, north, south -

Mrs TAYLOR - Timetable for availability?

Ms O'CONNOR - Also, timetable for completion which is not on here.

Ms JACOB - In fact this is a good-news story; we are spending a lot of money at the moment.

Mrs TAYLOR - Is it spread around the State?

Ms O'CONNOR - Yes, it is.

Ms JACOB - North and south.

Mrs TAYLOR - Excellent.

Ms O'CONNOR - You would be aware, Mrs Taylor, of the wonderful facility in Danina Street, Chigwell, which was set up under the young people and residential aged care program and it is one example of really encouraging investment from the Commonwealth in partnership with the State in making sure that we provide better accommodation for people with disabilities. We can table this now, government-funded accommodation units.

CHAIR - Minister, can you tell me how many partnerships you have with NGOs in providing services through disability?

Ms O'CONNOR - We have about 90 contracts. I signed an approval the other day for the funding allocation to go through on the day the Budget was delivered. I believe the total funding allocation in that approval was around \$97 million. I am happy to clarify that but there are about 90 service providers that we fund.

Ms JACOB - Just Disability Services.

Ms O'CONNOR - Of course, only disabilities.

CHAIR - Are you looking to expand those?

Ms O'CONNOR - They are the agreements that we have in place at the moment. Clearly, once we go into the gateway process, once we identify more precisely what the level of unmet need is, there may be an opportunity to expand the number of service providers in this portfolio

and that is across the community sector. The State Government does fund around 260 community organisations across the community sector to the tune of \$179 million.

CHAIR - It will provide services to disability.

Ms O'CONNOR - No, that is across the community sector. It would also be in areas of housing and homelessness. The State Government makes a very significant contribution to community organisations because they are at the front line, delivering really vital services to some very vulnerable Tasmanians.

CHAIR - Through the minister - can I ask about the budget management strategy reductions last year? How many did the department make and did they meet their requirements?

Ms O'CONNOR - Yes, my advice is that a budget management strategy across Health and Human Services was required to deliver \$48.9 million in savings last financial year. Clearly, like every Government agency, we are this year again bound by a budget management strategy and we will be identifying savings, and heads of agency will be having conversations with Treasury. But I want to reassure the committee that in no way will any of the savings that are identified compromise front line services.

CHAIR - We have heard previously today from the minister, in relation to another area, that they were able to share resources in relation to staffing and photocopying and faxing and the like, and there was considerable savings made in one of his areas that he looks after. So is there any opportunity for that? How have you achieved what you have done so far?

Ms O'CONNOR - There is a constant process of identifying efficiencies within the Budget. We have identified, for example, we could reduce the number of mobile phones and that has created some practical concerns for staff in DHHS, but we had to put these processes in place to make savings. We have reduced the car fleet in the Department of Health and Human Services quite significantly. Again, that has created some practical issues for people in the department, but there will be efficiencies that we can identify. This is what we are required to do as part of responsible budget management and we will be working really closely with the department and with Treasury to make sure that we are on track.

CHAIR - So there is no way of the committee being able to source the actual Disability arm of DHHS and looking at the staffing numbers, relative to this year and last year?

Ms O'CONNOR - We can tell you that, but also I think within the framework of Disabilities, we are in a reform process. So there is a shift in allocations as a result of those reforms, and there is a shift in staffing numbers as a consequence as well. So I think that possibly it would slightly affect those figures. I am just going to wait for some advice. I can advise the committee in terms of the current staffing numbers in Disability Services as at 21 April 2010. Disability Services had 230.88, which I guess is nearly a whole person, paid full-time equivalent staff working in the areas of Disability Services. As well as this there were approximately 12 paid full-time equivalent staff employed in the Disability Child Youth and Family Services Head Office who work either all or a significant proportion of their time on Disability Services management and support functions. But, as I said before, we are in a reform process and there will be a change to the mix.

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CHAIR - Given that obviously this area of work would provide a huge level of stress, I expect, because it is such a specialised area, do you have the number of people who are on sick leave due to stress-related work?

Ms O'CONNOR - We do have that.

Ms JACOB - It is across the whole agency, but certainly in terms of stress sick leave we have got a figure for the whole of Disability and Child Youth and Family Services. We cannot divide that. But certainly the number of Disability Services it is not very high, it is mostly in the roster care that have large numbers of stress-related workers comp claims. I am sure we have that figure.

Ms O'CONNOR - You would be aware, Ms Rattray, that the people who work in the disability sector regard it is a love job and everyone I have spoken to in the sector really enjoys their job.

[5.45 p.m.]

I can inform the committee from 1 July last year to 30 April this year there were 37 workers compensation claims in Human Services. For the same time period the year before there were 24, and the year before that there were 49 claims - so clearly it waxes and wanes.

CHAIR - Members, are there any other questions in relation to Disability Services?

Mr GAFFNEY - I know we mentioned it last week and I just wanted to see how far it has gone: young people with disabilities being housed or grouped or clustered together so that they have a more socially integrated lifestyle.

Ms O'CONNOR - We have a Young People in Residential Aged Care program and that has led to the construction of the Danina Street accommodation facility at Chigwell, but I think it is important to remember that there needs to be a range of options for young people who are in residential aged care.

Clearly some will choose not to be, or their carers and families will seek other, more appropriate accommodation options, but from the consultations that we have done it is very clear that some people with disabilities who are in residential aged care are happy there but what they want is access to appropriate recreational opportunities. I will just go and find some numbers:

This is our record and you will be able to the targets. I can indicate to the committee that up to today we have undertaken 29 assessments of young people who are in residential aged care. Seven young people who were in residential aged care have moved into other accommodation; five have accessed diversionary programs. The total number of people whom we have assisted through this program is 33 young Tasmanians having disabilities who are in aged care facilities. Under 50 - isn't that fantastic? Apparently 'young' is defined as under 50.

CHAIR - So 'old' is over 50?

Ms O'CONNOR - No, that is not true. Then 'seniors' kicks in at 65 and over.

Laughter.

CHAIR - It is probably over 75 now.

Mr WING - People are not old until they are at least 90. It has changed a lot in the last 10 or 20 years.

Ms O'CONNOR - Thank you, Mr Wing - 90 is the new 40.

Mr DEAN - Just to follow up Mr Gaffney's question - last year it was raised that a number of these people were being placed into backpackers hostels or into caravan parks for accommodation. Is that still happening?

Ms O'CONNOR - Mr Dean, I am unaware that people with disabilities were being placed into backpacker's accommodation. I cannot imagine that that is happening at the moment.

Mr DEAN - It was raised last year about the accommodation that some of them were going into.

Ms O'CONNOR - Is this homelessness accommodation or disability accommodation?

Mr DEAN - It was people with disabilities and homelessness, it was a sort of amalgam of both, as I understood it.

Ms O'CONNOR - Mr Dean, I am certainly not aware of any Tasmanian living with a disability who has been placed in a backpackers accommodation as suitable accommodation because it clearly would not be and it is not happening now.

Mr DEAN - It is a matter I will look at further. I will go back and look at our last year's papers. I have not done that.

Ms O'CONNOR - I am happy to continue this conversation with you informally outside the committee as well.

CHAIR - Ms O'Connor, obviously there is nothing else in Disability Services and I will see whether the minister wants to replace people at the table with Housing people.

Ms O'CONNOR - Ms Rattray, we have prepared a range of fact sheets across the portfolio and I would be happy to table them to assist members.

CHAIR - That would be fine. We are happy to table them. Members are not going to have time to read them now.

Ms O'CONNOR - No, but I think they would be handy to have. I can also inform the committee that we have capital expenditure projects for Housing that we would like to table for the committee too so you can see all the extraordinary work that is happening to increase the supply of social and affordable housing in Tasmania.

Mrs TAYLOR - In just three short months.

Ms JACOB - She is a miracle worker.

Mrs TAYLOR - A miracle worker in just three short months of getting all these houses.

Ms O'CONNOR - Just like that. But I wish, I wish we could fix it in three short months.

3.4 Housing Services -

CHAIR - Can I begin with seeking some figures within the 2010-11 Budget for Housing Services. How much is intended for: firstly, construction of new dwellings and, secondly, for dwelling maintenance and the administration costs related to those, and also what is the current state of the repayment of the Housing Tasmania debt, which I am sure is at somebody's finger tips because it gets asked every year?

Ms O'CONNOR - I will start with the Housing Tasmania debt, if I may, because it is the albatross around the neck of Housing Tasmania and I think that it consumes about \$16.7 million each year out of around \$20 million that we are allocated by the Commonwealth for Housing Tasmania.

Members might be aware that this debt relates to our history, if you like, under the Commonwealth State Housing Agreement, and in the period up to 1989 the contribution from the Commonwealth was provided to us as a loan, effectively. The total debt outstanding is currently at \$229.8 million and I am sure committee members' imagination is flowering about what we could do with that money to improve social and affordable housing.

CHAIR - It has been flowering for many years.

Ms O'CONNOR - Yes, it is very frustrating, I am with you, Madam Chair. The debt will reduce to \$223.3 million on 1 July - that is tomorrow. There are millions going to Canberra shortly after the 2009-10 debt repayment is made and, as I indicated, it is a \$16.7 million per annum debt. That is \$6.5 million in principal repayments and \$10.2 million in interest costs - it just makes you want to weep.

CHAIR - Do you think if we changed the colour of our hair and went over with our cap in our hand, we might be better received than we have been in the past in wiping the debt?

Ms O'CONNOR - I do not know about the colour of our hair, I can indicate - this has been the mission of Housing ministers for some period of time. We have been to the Commonwealth and asked them to relieve us of the debt and, I can tell you now, I went to see Minister Plibersek about a month ago and the Commonwealth is not inclined to relieve us of that debt.

Victoria is the only State that has paid off its debt and a number of other States' debts sits in consolidated revenue. Our debt sits with Housing Tasmania, which is a frustration.

CHAIR - We have discussed this on many occasions.

Ms O'CONNOR - I will go through some of the capital investments that have been made this year through Nation Building Economic Stimulus money, NRAS, the housing fund.

CHAIR - Will that cover off on my question of how many new dwellings?

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Ms O'CONNOR - It certainly will, Madam Chair. We can table this fact sheet. There is an enormous amount of energy going into this area of the portfolio. I will talk about the key areas of the capital program

CHAIR - I am just letting you know that because the other committee has finished for the day, the cameras are now on this committee.

Ms O'CONNOR - I should indicate to the committee that as a result of the other Estimates committee rising this evening the Secretary of Health and Human Services, Mr Roberts, is also here at the table with us.

Mr WING - So he knew about the cameras too.

CHAIR - We welcome Mr Roberts to the table.

Mr ROBERTS - Apologies for being late.

Ms O'CONNOR - I will talk about the capital program in Housing for 2010-11. I am very pleased to inform the committee that at least 437 properties will be constructed under the Nation Building Economic Stimulus Package in addition to those that were completed in 2009-10.

CHAIR - Which were?

Ms O'CONNOR - We have 89 new dwellings and the commencement of 385 to the end of June. Members would be aware that the NBESP funding has to be spent by June next year so we are on a fast time table here. On completion of the program in June 2011, 85 per cent of the properties will be handed over to not-for-profit community housing organisations for tenancy allocation and service delivery. There will be construction of a further 181 units of accommodation under rounds one and two of the National Rental Affordability Scheme - NRAS - completed. Applications for round three and round four of NRAS will be processed. Applications for round three will close on 31 August 2010 and round four will close on 14 December 2010. Round three focuses on large-scale investment into affordable housing with a minimum of 1 000 dwellings and round four focuses on applications to build at least 20 dwellings with the priority growth of 100.

We can also announce completion of construction or major upgrades to supported accommodation facilities around the State to support the Tasmanian homelessness implementation plan. Facilities include York Street Launceston, Thistle Street Launceston, Grove Street, Ulverstone, Campbell Street Common Ground Project and Cavell Street Common Ground Project in Hobart and Liverpool Street which is also a Common Ground Project.

Construction of 13 two-bedroom units at a cost of approximately \$4 million at Balamara Street, Bellerive will be undertaken. This new facility will replace the former complex existing of 28 bed-sit type units that are to be demolished as part of the new construction. As a continuation of the MOU signed in 2008 between the Australian and Tasmanian governments for the capital development of accommodation for people with disabilities, construction of 16 bedrooms at six sites statewide will be completed at a cost of \$2.63 million, also construction of three five-bedroom dwellings at a cost of approximately \$1.95 million for children who need to live in out-of-home care as a result of their involvement with child protection. That is an area that falls within Minister Thorp's portfolio. Construction of four four-bedroom homes at a cost of

approximately \$1.5 million in the south-west will be completed. Construction will commence for a new \$700 000 six-bedroom disability group home in New Norfolk, which I am going up to visit on Friday, which will provide a home for five elderly residents.

In the area of land development, critical infrastructure costs will be subsidised through the housing affordability funding for the development of 60 vacant lots in Clarendon Vale - good news in terms of home ownership for people on low incomes. Approximately 70 applicants will be assisted into home ownership under the Home Share Program and the Streets Ahead Incentive Program. Subject to competitive bid processes there will be \$1.5 million towards two new housing constructions and 13 refurbishments on Cape Barren Island and Flinders Island. There is also a request for a proposal to be released for the operational management of the York Street, Launceston; Thistle Street, Launceston, and Grove Street and the list goes on and I am happy to table this fact sheet.

[6.00 p.m.]

CHAIR - I think we already have that.

Ms O'CONNOR - No, I do not think you have the social and affordable housing one.

CHAIR - We have one.

Ms O'CONNOR - We really do try to be helpful in Human Services.

Could I just indicate in terms of your question about maintenance that members might be aware that our property portfolio in Housing Tasmania is worth about \$1.8 billion across the State. We have 13 500 properties and we house around 24 000 Tasmanians. In support of this, \$35.8 million has been budgeted for the responsive and routine maintenance of Housing Tasmania properties during this coming financial year and this compares with the original allocation of \$32.6 million made in 2009-10 Budget.

CHAIR - The outstanding maintenance estimated budget?

Ms O'CONNOR - It has been identified as \$110 million, which is a significant outstanding maintenance budget and it does point to another one of the pressures in the Housing Tasmania budget.

CHAIR - If only we could get rid of that debt.

Ms O'CONNOR - Madam Chair, I am with you all the way.

CHAIR - We could make some inroads into that. The next question is how many applicants on the waiting list are in category 1?

Ms O'CONNOR - I know there are 3 223 people on the waiting list. I can indicate to the committee that over the past 12 months there has been a small increase in the number of applicants waiting for public housing. I am sure members of the committee would be aware that with the private rental market in the state that it is in, people on low incomes are finding it extraordinarily difficult to access the private rental market. It has also meant that in Housing Tasmania properties we have a low turnover which is putting increased pressure on our waiting list.

At the end of April 2010 there were 3 223 applicants on the waiting list compared with 3 007 at the same time last year so there clearly has been an increase in the waiting list.

Mrs TAYLOR - Are they all category 1?

Ms O'CONNOR - No, they are certainly not all category 1 - 330 were in the category 1 or exceptional needs category and of course, Mrs Taylor, you would be aware that we are seeking to provide housing for them as a matter of priority - 1 201 applications were for category 2, 834 for category 3, 443 in category 4 and that is the current state of the waiting list.

We recognise there needs to be a range of options. Housing Tasmania's portfolio is stretched to capacity. We need to provide options and support for people in the private rental market and this is absolutely critical to making sure that we do not add to the number of people who do not have a stable and secure home in Tasmania. Members may be aware that earlier this month I announced that \$4 million had been allocated for the private rental support scheme and private rental tenancy support scheme. The private rental support scheme provides financial support for people entering the private market and the private rental tenancy support scheme provides a range of social supports, if you like, and access to services and these are provided by Centacare and Anglicare. The private rental support scheme is provided by Anglicare in the north and north-west and Colony 47 in the south. The private rental tenancy support services are provided by Centacare in partnership with the Salvation Army. I want to acknowledge at this point the outstanding work those organisations are doing to make sure we do not add to the number of Tasmanians who do not have secure housing and a place to call home.

Mr GAFFNEY - In the Estimates committees last year the then minister, Ms Thorp, mentioned the Home Share equity scheme as one of the alternative options. How many Housing Tasmania clients are currently participating in that scheme, and how many applications were approved in the previous years? Was that an increase or a decrease on previous years? I am just wanting to know how it went. Is it going well? What is the potential for it?

Ms O'CONNOR - It is a successful program. It was introduced by the Government in December 2008. We recognise that one of the key enablers of wealth in our society is home ownership. We also recognise that people on low incomes can sometimes only dare to dream about owning their own home - as a government we are committed to providing more opportunities for Tasmanians on low incomes to own their homes, or to have equity in their homes. Home Share makes home ownership initially more affordable because the person looking to buy the property generally only has to finance between 75 and 80 per cent of the total purchase price. Consequently, their loan repayments are much lower and at a level that they can afford. This involves the Director of Housing and eligible Tasmanians co-owning houses - that is, they are tenants in common and enter into agreements which detail their respective rights and responsibilities. The Government has identified approximately \$8 million to extend Home Share, for eligible households, to newly-constructed houses in the private sector and since its launch in March 2009, 20 Home Share contracts have been entered into with a further 12 due to settle by today.

Mr GAFFNEY - The minister mentioned bad debts in the Estimates last year. She expected there to be about \$1 million worth of bad debts in the 2009-10 financial year. What was the actual figure? How does this compare with the national average, and what measures were taken to recover some of those funds? Do you have an expected figure for 2010-11?

Ms O'CONNOR - Housing Tasmania has an excellent record in debt management. According to the latest report on government service provision, we are the best-performing jurisdiction in this regard. Housing staff maintain a very high standard in ensuring these targets are maintained. The total arrears owed to Housing Tasmania on current tenancies, as at 30 April this year, is just over \$250 000 in the south, \$102 000 in the northern region and about \$64 000 in the north-west. The total of the outstanding debt up to April this year was \$417 894, which is almost half of the outstanding debt from the previous year - \$799 109 was owed at the same period last year. While debt management remains a strength, when clients leave Housing Tasmania properties they often have outstanding debts. We are talking about people who are living close to the breadline - rechargeable maintenance assessed at the time of vacation can be particularly difficult to pursue, because we cannot locate the client or they have left the State. All debts are vigorously pursued by Housing Tasmania. If we need to, we will use a collection agency. In some cases, to use a colloquialism, it not worth the money and the time it will take to recoup that debt, and we recommend that some of those debts are written off.

In the 2008-09 financial year bad debts totalling \$764 430 were written off. Bad debts of \$658 151.41 are recommended for write-off in the current financial year, that is the 2009-10 financial year.

Ms BRESNEHAN - To be precise.

Ms O'CONNOR - Thank you, Ms Bresnehan.

CHAIR - Do they stay on a list - never to be let into housing again?

Ms BRESNEHAN - We keep a note of all bad debts and before they are able to re-enter they have to come to some arrangement for re-paying. They either have to repay the whole debt or undertake some agreement and demonstrate that they are paying it back over a consistent period of time, and then their application can be reactivated.

Ms O'CONNOR - I have some supplementary information here for the committee. For the financial year between 1 July 2009 and 30 April 2010, 20 Housing Tasmania tenants were evicted. It is the option of absolute last resort because our priority is to keep low income Tasmanians in their houses. Of the 20 tenants evicted, 7 were evicted primarily because of long-standing rent arrears - no matter what support and management processes we put in place, there was no way to recoup that money. The remaining 13 evictions were primarily due to ongoing and persistent anti-social issues that the tenants were not prepared to rectify, and we could not work with them to rectify, despite Housing Tasmania's best efforts.

Ms BRESNEHAN - This is an area where we have had a specific focus this year - the collection of arrears - because we know that if you help people not get into arrears, then they do not get into trouble, and they do not risk homelessness. There is a national benchmark of 2 per cent of collectables should be in arrears, and Tasmania this year is leading the nation in managing arrears. Our collectable figure is 0.69 per cent and that is because our tenancy officers are out there actively managing tenancies, so that when somebody does not pay their rent there is a visit, there is a follow up and there are letters. We are very actively pursuing arrears, so that we have sustained tenancies and avoid financial trouble and eviction and the possibility of homelessness.

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Mr GAFFNEY - I am really pleased with that result because when it came up in Estimates, we were a bit horrified, but I think that approach is just wonderful. It is a credit to you.

Ms O'CONNOR - I have to say that Housing Tasmania is a very compassionate government agency, due to its people.

Mr GAFFNEY - It is very pleasing.

CHAIR - I consider the question is, do you agree?

Laughter.

Ms O'CONNOR - I do.

Mrs TAYLOR - I understand how difficult this is and how big a problem it is and how hard you are working at it and congratulations on that, but it is budget Estimates, so I do have to ask you some budget questions. I have a very simple question in relation to the maintenance backlog that was referred to earlier. You said last year there was \$32 million in the Budget for that. Did you spend the \$32 million?

Ms O'CONNOR - Yes, we did. Mainly on priority maintenance.

Mrs TAYLOR - Obviously, if there is \$110 million worth which still needs to be done, I am presuming that the situation hasn't improved much in the last year if there is still that much to be done, because you have got \$35 million in the next Budget.

Ms O'CONNOR - I will defer to Mrs Bresnehan in a moment, but the bottom line is that we have an ageing stock of houses and the maintenance demands of Housing Tasmania's stock increase from year to year.

Mrs TAYLOR - You have my sympathy. Nevertheless I need to ask.

Ms BRESNEHAN - The ageing portfolio has been of concern, and we need to understand our portfolio as much as possible. This year, we have invested in a detailed property survey. We have gone to every property and done a survey of all the maintenance elements. We have looked at things like - what is the life cycle of the roof, what is the life cycle of the windows, the kitchen, the bathroom and the toilet? We have quoted \$80 million or \$90 million in backlog maintenance. The survey tells us very accurately that it is now around \$110 million, but because we have got that information, we are now able to program a maintenance works where we can hopefully get some greater efficiency. Now that we have that level of detail about our properties, we can bundle things together in a much more effective way and get them planned, and hopefully have a more timely and efficient response to our maintenance. So we have invested a fair bit in gaining some strategic information this year and that would help because at the moment most of our maintenance expenditure is on responsive and emergency maintenance. Really you want to get more of it into the plan. So the minister in fact has the breakdown there.

[6.15 p.m.]

Ms O'CONNOR - I will briefly give the breakdown of how we are going to spend the money that has been allocated this year. As Ms Bresnehan has pointed out, the vast majority of it goes on essential maintenance. Emergency and essential maintenance is \$24.6 million.

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Tenant-related maintenance is \$0.6 million. Maintenance on vacant properties, which is a part of making sure that they are suitable for new tenants, is \$1.2 million. Repair of tenant damage, unfortunately, is \$1.75 million. And plan and life-cycle upgrading, which is where we like to front-end more money, is \$7.65 million.

Mrs TAYLOR - That is always an issue when a property is sitting there and it is waiting for the backlog of maintenance to be done before new tenants. It means you have people sitting on the waiting list who cannot access housing that is available if only the maintenance was done.

Ms O'CONNOR - Certainly. I know. I do take that on board, Mrs Taylor, but the waiting time between vacated tenancies and new tenancies is actually quite short contrary to some of the sound bites you might read in the *Mercury*.

Mrs TAYLOR - I was going to say, that is not what the *Mercury* says but I trust your word.

Ms O'CONNOR - No, but the target is 28 days turnaround so we can do the necessary maintenance and planning. The average turnaround time for properties tenanted during April 2010, I am pleased to inform the committee, was 25 days. So we are well below the national benchmark there.

Mrs TAYLOR - Good.

Ms BRESNEHAN - My finance manager has also reminded us that on the maintenance expenditure for this year we did have \$6.4 million for repairs and maintenance through the economic stimulus package. So that was in addition.

Mrs TAYLOR - And you spent that as well?

Ms BRESNEHAN - Yes, we have.

Mrs TAYLOR - Excellent.

Ms O'CONNOR - We do not leave money lying around.

Ms BRESNEHAN - In fact our budgeted position, as shown in the budget papers last year, was \$32 million. We increased that during the year to 34 and then we had an addition of 6.4. So we did very well.

Mrs TAYLOR - Cooking with gas. That is terrific. When the housing fund was announced by former premiers it was to be for capital works -

CHAIR - Are we talking TAHL?

Mrs TAYLOR - No, the housing fund.

Ms O'CONNOR - No, we are talking about the housing fund, the \$60 million fund.

Mrs TAYLOR - You have a table on the bottom of page 5.25 that says 'housing fund', and it says how the \$20 million for the next year is going to be extended. The last margin of that says 'continuation of support for the national rental affordability scheme, \$7 million'. That sounds like

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normal rent assistance and therefore does not actually represent capital works. Does that mean that you are cost-shifting from capital funds to recurrent?

Ms O'CONNOR - No, it would not do that, Mrs Taylor. NRAS is a capital funding program. It is payment to developers who are investing in building a stock of affordable housing.

Mrs TAYLOR - I got you. I am corrected. Wonderful.

Ms O'CONNOR - NRAS is an excellent program. Just to assist the committee in understanding how NRAS works I will briefly detail this jointly-funded Commonwealth and State allocation. It was created to increase the number of affordable rental properties across Australia. When constructed, the properties will be rented out to eligible clients - low and middle income workers - at a minimum of 20 per cent below the market rate. The State has allocated funds from the housing department as their contribution to the roll-out of this fund in Tasmania.

Mrs TAYLOR - But it is capital funding. That is good.

Ms O'CONNOR - It is capital funding. The Australian Government has approved a total of 924 new homes to be constructed in Tasmania under NRAS by 2012. So it is an exceptional, worthwhile Capstead program.

CHAIR - Before I move to Mr Dean, can you tell the committee how many properties have been sold in the last financial year?

Ms O'CONNOR - Yes, I can.

Mr DEAN - That was my question.

CHAIR - I am sorry.

Mr DEAN - That is all right.

Ms O'CONNOR - Did the Chair steal your question, Mr Dean?

Mr DEAN - Absolutely.

Mrs TAYLOR - I am shocked.

CHAIR - It is the only perk of being the Chair today.

Ms O'CONNOR - I can inform the committee that for 2009-10 up to 30 April this year, there have been 76 sales in total: 11 sold to sitting tenants and 65 houses were sold through the open market. I can inform the committee that a further 13 sales are expected to settle by today, making 89 sales in total for the year.

I should indicate to the committee that while some Housing Tasmania properties are sold we are investing much more through programs like the nation building economics stimulus package, like NRAS in new capital works and accommodation in Tasmania.

CHAIR - Is there any being bought just through normal real estate?

Ms BRESNEHAN - Sometimes we do spot purchase for specific families or conditions of clients like large families. Normally we have a predominance of three-bedroom properties in our portfolio. We try to build or construct one- to two-bedroom which better meets our portfolio but occasionally you get large families coming through and you might have to spot purchase a large property so when we need to we do.

Mr DEAN - Do we have the category 1, 2 and 3 - I didn't realise what category 4 is but obviously we have a category 4 list now - for a breakdown for the regions - Launceston and George Town?

Ms BRESNEHAN - We do.

Mr DEAN - And whether there is a decrease or increase in those areas.

Ms BRESNEHAN - I have not got the comparative one with me.

Ms O'CONNOR - George Town would be north rather than north-west. The breakdown in the north of the State for the category 1 and exceptional needs applications are 72 people, all families; category 2 - 222; category 3 - 209; category 4 - 105. By comparison in the south-west category 1 is 141 people; category 2 is 447; category 3 is 283; and category 4 is 106. The total people on the waiting list either processed or currently unprocessed in the north of the State is 730.

Mr DEAN - I will need to get a comparison if I can and go back through the annual reports and so on of last year and the year before because I have been told it is increasing and I am not sure if it is or not, in the Launceston area.

Ms O'CONNOR - There is no breakdown. We can do a statewide comparison which shows that -

Ms BRESNEHAN - We have not got it by region.

Ms O'CONNOR - clearly and sadly it should be no surprise to anyone on the committee the number of people on the category 1 wait list has increased between 2005-06 from 196 people or families to 330 this year.

Mr DEAN - I am going to ask the obvious question and that is with all of the you beaut programs that we are putting into place - and I do not dispute that and that is good work - our lists seem to be blowing out all the time, they are not reducing. I would have thought we would have seen a reduction in the lists of people who are waiting for public housing and that is not happening. What is happening? You have given me the reason in private rental.

Ms O'CONNOR - Also the increased house prices. There will have been some inevitable flow on impacts of the global financial crisis. We know that there have been job losses in the past 18 months, particularly in regional areas across Tasmania. Mr Dean we are investing tens, hundreds of millions of dollars in increasing the stock but some of the projects will not be complete until June next year or in 2012.

Mr DEAN - I was trying to think of some of the comments made last year at this time and I thought that we would see reductions in the waiting lists, but I need to look at that.

Ms BRESNEHAN - The big thing is that we have over a 98 per cent occupancy. There is a general market trend of increasing prices in the market. That means that people are not able to go into home ownership, it means they are sitting in private rental; the whole system is locked up.

There is not enough supply and so people are staying in public housing for longer than they might normally because the opportunity for them to leave is not there. You can only house somebody when someone goes and you have a vacant property. So when you have very little turnover, high occupancy and a lot of pressure in the private market, the waiting list tends to go up and that is the trend that we are seeing.

Mr DEAN - My next question then relates to the ABC *Stateline* program back on 18 June and no doubt you would be aware of that program. I suppose there would be many, many homeless in this State and I think about two years ago, three years ago, the number of homeless was about 400, I think, in the State. We are now told the number of homeless in the State, I guess, is probably more than that and the program focused on those in the Hobart area, in particular. Would those people, or some of those people likely to be on the category 1 list or category 2 list or 3 or 4 list with Housing Tasmania?

Ms O'CONNOR - There are three tiers to homelessness. It is sleeping rough, couch surfing or being in unsuitable, unstable accommodation. It is possible that some of the people who are currently regarded as homeless are on the category 1 list. But I should say that people who are at extreme risk of homelessness are our priority for housing. In terms of the numbers, Mr Dean, the most recent figures we have to go on are the 2006 Census which indicates that there are around 385 Tasmanians sleeping rough. Clearly, that data is outdated. There are also some issues, though, with identifying people through a Census process or not, who are homeless.

I am pleased to say that the Tasmanian Government two years ago made a commitment to halve the number of homeless by 193 by the end of this year. We are definitely on track, not only to meet but to exceed that target and this will only take a short period of time. But 231 places will be provided to rough sleepers by the end of this year, which is exceeding the target by almost 40. There will be 100 dwellings statewide under the Same House Different Landlord Program which will roll out between October and December this year. Thirty new units of accommodation at Bayfield Lodge in Rosny will be tenanted from next month. Twenty units of accommodation at Grove Street in Ulverstone by the end of the year. Twenty units of accommodation at Thistle Street in Launceston also by the end of the year and 35 units of accommodation at Bilton Lodge, Claremont. Also, 26 additional units to three existing services targeting people who are homeless.

We also have projects such as Find House, which is up in your neck of the woods, electorally, which will provide accommodation to young people coming from rural and regional areas, who are looking for work or looking to up skill, or who are at risk of homelessness. We will also have the Campbell Street and Liverpool Street Common Ground Project. So it takes time, Mr Dean, to build accommodation units.

Mr DEAN - I realise that, but we have been working on this for decades not just years, decades.

Ms O'CONNOR - Yes, I know.

Mr DEAN - The other question I have relates to a situation brought to my attention today. A lady in distress rang me today. She had been on the list a long time. She has finally got herself a unit in Faraday Street at Ravenswood, but she has an outstanding debt with Aurora and she is unable to get any power connected to her unit. So she is staying in the unit without any heating at all. Does Housing Tasmania look at the ability of a person, when they get their accommodation, to move in and be able to access electricity? Would that be a part of the application process?

Ms BRESNEHAN - There is an assessment done on their need. That sounds like a very specific one.

Mr DEAN - I just want a general answer. Would you look at the -

Ms BRESNEHAN - Not specifically that, but we would certainly look at someone's circumstances, what their income is, what their health needs are, whether they would require support. I could offer to have a tenancy officer visit that person.

Ms O'CONNOR - I think that would be a good idea.

[6.00 p.m.]

Mr DEAN - I will take that up with you. Thank you. My last question, if I may, is one that is really affecting a lot of Housing Tasmania tenants - heating. In Launceston I have had a number of calls from a person and I have been to their unit. They say they had their wood heaters removed as they were required to do. Housing Tasmania removed the wood heaters and put in electrical heating but they now cannot afford to run their electrical heating. Where do we go with this? I know it is a dilemma and it has been created by a number of situations and soaring costs. So where are we with that and what can happen, if anything?

Ms O'CONNOR - It certainly is a dilemma and I do acknowledge that if you are on a low income when the electricity bill hits it will hurt. Housing Tasmania's heating policy is currently under review but we do have a policy of replacing outdated wood heaters with gas, a heat pump, or an electric heater. I acknowledge that a lot of people hurt when the electricity bill comes in but I would also point out that we do have among the highest rate of electricity concessions to low-income earners in the country. We also charge Housing Tasmania tenants the lowest rents on average in the country but, as I indicated, the heating policy is under review at present.

Mr DEAN - Thank you.

Ms BRESNEHAN - We try to do the best in terms of insulation, carpets, draught proofing houses and things like that too but we have an ageing portfolio. We have a range of things that we do around tenant education but the cost of electricity is high.

Mr DEAN - So the insulation program is finished off?

Ms BRESNEHAN - No, that is an ongoing process. It's part of our normal maintenance.

Mr GAFFNEY - Through you, Minister, some councils also like to have their wood heaters removed, don't they?

Ms O'CONNOR - We are bound by the air quality strategy.

Mr DEAN - Launceston do not want it to happen.

Mr GAFFNEY - Thank you.

Ms O'CONNOR - Some tenants like their wood heaters, Mr Gaffney.

Mr DEAN - Right. In fact I told one lady not to remove it.

CHAIR - I am interested to have some information about TAHL. Where is TAHL at this point in time and is it going to be disbanded?

Ms O'CONNOR - Members of the committee would be aware that I have had some discussions with senior members of Tasmanian Affordable Housing Limited. They have put forward an alternative business case which we are currently considering. Certainly no decisions have been made about the future of TAHL. I acknowledge that TAHL has done some very good work in providing more affordable accommodation options to Tasmanians but for a range of reasons they have not delivered on targets. We need to have a look at TAHL and the way it operates but I am not in a position to inform the committee at this stage about where TAHL fits in to what is a major area of Commonwealth and State reform and investment in increasing the stock of social and affordable housing.

If I could just go to some of the numbers with TAHL. It is a fact of public knowledge that TAHL's major private developer Viva Properties Limited fell over. That is a consequence, I understand, of the global financial crisis but it has made it even more difficult for TAHL to deliver on its targets. At this stage, as we know, the Government's funding agreement with TAHL had the potential to deliver up to 700 properties. Three tenders have been released for publicly owned land to support TAHL but we only have 98 properties and a further 37 potential properties expected to be delivered over the next two years. So we need to make investments as a State to achieve value for money and to have houses on the ground to provide stable and secure accommodation for low-income Tasmanians.

CHAIR - When is a decision likely in relation to the future of TAHL?

Ms O'CONNOR - TAHL put their business case to me about two weeks ago and we are considering that business case. I expect to be in a position to make an announcement within the next two to three weeks and we will be considering TAHL's position in the context of a wider investment and reform in social and affordable housing in Tasmania.

Mr DEAN - What is the future of these developments like Alwinton Court at Waverley? What is their future? Is there a move to try to improve the lifestyle and the culture of a development like Alwinton Court? Alwinton Court is in Waverley and it has a group of low cost units all in the one little area and, unfortunately, we have a similar type of people there with similar cultures and lots of problems, including a murder. As well the police often said that if they could set up a police station there they would not be out of work. So what is the future of a precinct like that? Will it change?

Ms O'CONNOR - We are in the process of constantly trying to improve the lives of our tenants in Housing Tasmania. We need to also have a look at how we construct these social and affordable housing developments in the future. I think part of these problems in places like

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Waverley and another one I visited recently in Rocherlea is that they are a thing of the past in terms of the way they were designed and planned.

Mr DEAN - That is the reason I asked the question. Can it be changed or not?

Ms O'CONNOR - I will defer to Ms Bresnehan here.

Ms BRESNEHAN - I think you have raised a very important and challenging issue for all of us who manage social housing. The way we approach it is twofold. One is, what can you do from the asset side of things, which is an expensive business. The second thing is, what you can do with the tenants and the community and the local environment. So there are things that we can do and we do in terms of the tenants - the tenants who go there, the tenant mix and how we support people and how we try to reduce the antisocial behaviour, how we might put in place tenancy support programs. We are doing a lot of work in that area.

On the capital side and redeveloping it, it really does depend on what capital dollars are available and how that unit complex might be prioritised over some other capital works at some other time. So, at this point, that is not on a program but, should we get more money, then that would be prioritised along with other options. At this stage, our main effort is in the social support, community side of it.

Mr DEAN - People around the area live in fear and I get so many calls from the area, it is quite unreal. I know it is a difficult one.

Ms O'CONNOR - We need to make sure that in future we design and plan our social and affordable housing estates so that we are creating communities rather than broadacre estates where people are socially isolated and the cycles of disadvantage are perpetuated. That is no longer part of our philosophy as a department and it is no longer acceptable at a society level.

CHAIR - Thank you and now moving on to Grants and Subsidies, Capital Investment Program and Special Capital Investment Program.

Mr GAFFNEY - The first one I am not overly concerned about because I can understand that. I could find no reference, Minister, to the \$588 000 in the Special Capital Investment Funds for 2010-11. I just could not find what that was and I couldn't find a footnote so I gave up after that. I am not sure whether it is Disability or Housing.

CHAIR - Special Capital Investment Funds. It is Division 4, table 5.7.

Ms O'CONNOR - Mr Gaffney, I am going to take that one on notice because it is possibly not within the Housing Tasmania portfolio.

Mr GAFFNEY - I could not find it.

Ms O'CONNOR - Thank you for drawing that to my attention.

CHAIR - I have a question for the Minister. Minister, have you considered the recommendations of the Housing Affordability Select Committee report relating to restructuring Housing Tasmania and relating to what is obviously a policy decision, creating a GBE to manage public housing properties.

Ms O'CONNOR - Through the minister, I can indicate to the committee - and committee members would be aware - that Housing Tasmania is burdened by the Commonwealth, that it is under increasing strain and that the need for reform has been identified in this area. There is certainly no current plan to create a GBE but we do need to look at how we can make the provision of social and affordable housing in Tasmania more flexible, make it move faster, more responsive to house more people in need. I am currently looking at a range of options for how we might do that and how we might involve the non-government sector, community housing organisations in the future of providing more housing in Tasmania. But certainly there are no firm and fast decisions that have been made in this area at the moment.

I recognise the need for reform in this area of government and I will be working very closely with the department and stakeholders who have been consulted previously on how we might improve the stock, the supply of affordable and social housing in Tasmania and what the reform might look like. There are examples like the Brisbane housing model where you have non-government organisations who are adding to the supply and doing tenancy management. We need to look at those options.

CHAIR - That option was looked at by the select committee, so it might be worth reading the report to understand where it looked at that particular model, and it was very enlightening.

Ms O'CONNOR - I have had some advice on that model and how it works. Across Australia there is a push, partly driven by the Commonwealth, to reform public housing in Australia so that you are making sure that you are engaging the private sector and you are engaging the non-government organisations and the welfare organisations in building a really viable and robust social housing framework. Right now I could not sit here and say honestly to you that Housing Tasmania going forward is particularly sustainable or viable because we have a series of problems as we have discussed today, including a \$110 million maintenance debt and a Commonwealth debt which is our albatross every single year. We do need to look at how we can make it a really healthy system.

CHAIR - There is some very good information in the transcripts related to that select committee report on affordable housing. The committee did an enormous amount of work and it is really worthwhile and I should imagine it is still entirely relevant to this particular situation.

Ms O'CONNOR - I am going to be provided with a copy and I can reassure you that I will read it.

CHAIR - Can you let me know when you have read it? She has been taken to task by my committee.

Ms O'CONNOR - What I will do, Madam Chair, is make a note to myself to read that select committee report and continue this discussion with you in another place.

CHAIR - Thank you and before I adjourn for today, can I take it that these dates on this project are all absolutely accurate?

Ms O'CONNOR - They are accurate to date and we would not table a document, Madam Chair, that did not have accurate information to the best of our knowledge.

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CHAIR - There is nothing for 2012 on here so obviously there will be an updated version in the future because you talked about 2012.

Ms O'CONNOR - I should indicate to the committee that the vast majority of funding that is currently in the mix for increasing supply will be expended by the end of next year.

CHAIR - Thank you. Ms O'Connor, thank you very much. We appreciate your efforts and contribution. I know it is a lot of work for the department and we do appreciate that and we hope that we have been able to extract some information that will be useful to the Tasmanian community.

Ms O'CONNOR - Thank you, Madam Chair.

CHAIR - Thank you, Minister, for your time.

Mr McKIM - Thank you.

The committee adjourned at 6.45 p.m.