

**Wednesday 7 December 2016 - Legislative Council - Government Businesses Scrutiny
Committee B - Tasmanian Irrigation Pty Ltd**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 7 December 2016

MEMBERS

Mrs Armitage
Mr Dean
Mr Finch
Ms Rattray (Chair)
Mr Valentine (Deputy Chair)
Mr Willie

IN ATTENDANCE

Mr Jeremy Rockliff MP, Minister for Primary Industries and Water

Ministerial Office

Mr Ashley Bastock, A/Deputy Chief of Staff

Tasmanian Irrigation Pty Ltd

Ms Samantha Hogg, Chairperson

Ms Nicola Morris, Chief Executive Officer

Mr Luke Curtain, General Manager, Commercial and Business Development

Ms Amanda Zucker, Company Secretary

The committee met at 8.57 a.m.

CHAIR (Ms Rattray) - Minister, welcome to this scrutiny of Tasmanian Irrigation Pty Ltd.

Mr ROCKLIFF - I pay tribute to the former chair, John Lord, for the work he and his team have done over a number of years. He was a very successful chair. I also pay tribute to Chris Oldfield.

In the last 12 months we have seen the true value of water and irrigation. Like our farmers and many involved in primary industries, Tasmanian Irrigation also responded to two weather extremes in the past financial year: a prolonged dry period during the irrigation season, followed by a record-breaking flood which impacted a number of dams. As a result of the drought conditions, Tasmanian Irrigation delivered 67 000 megalitres of water, more than double the previous season, with the upper Ringarooma, Dial Blythe and south-east stage 3 schemes all successfully completing their first irrigation season. Last irrigation season saw all 10 of the schemes in tranche 1 in full operation. The water provided through TI allowed many farming businesses to mitigate the impact of a dry year.

'The Tasmanian Irrigation approach to public/private partnership investment is the leading edge and most successful model in Australia to scope, construct and operate water infrastructure'. They are not my words but the firm belief of Deputy Prime Minister, Barnaby Joyce, as he recently expressed it to me. The Tasmanian and Australian governments, in partnership with farmers, are delivering on our long-standing commitment to deliver all five schemes that make up the tranche 2 irrigation program. This journey started in 2015, with the state and federal governments jointly committing to \$90 million, plus the investment from farmers, enabling the tranche 2 program to commence. With this in mind, farmers in rural communities can have confidence that development of all five irrigation schemes is going ahead, with the first water to start flowing in the 2017-18 irrigation season.

The Southern Highlands and Swan Valley schemes are already in construction and are due for commissioning next irrigation season. The final design and cost of each scheme is determined by TI, taking each project from initial concept through to an approved business case and then tenders for construction. TI has advised the Government that planning for the Duck, Scottsdale and North Esk schemes is now sufficiently advanced to conclude that all three projects are technically viable and have the necessary community support through water sales. This is good news for farmers and the TI board to proceed to the next stage, confident in the knowledge that funding required to complete all five tranche 2 schemes will be available when needed, subject to normal process of finalising business cases and necessary development approvals.

As to tranche 3, with the certainty that the tranche 2 program is progressing as planned, we are also looking to the future. Further irrigation development by way of the potential tranche 3 program is on the Government's agenda. Following the release this year of the future irrigation project final report, TI is now advancing feasibility studies into another eight potential irrigation projects.

In conclusion, I congratulate TI's management and staff on another successful year in developing job-creating irrigation schemes that are transforming Tasmanian agriculture, our landscapes and our economy. I thank again the outgoing inaugural TI directors, John Lord and Geoff Coffey, for their dedication and passion for TI's nation-leading public/private partnerships. I formally welcome Samantha Hogg as the new chair and invite her to say a few introductory remarks.

Ms HOGG - I echo the minister's comments on the successful year TI has had. In many aspects we all faced the enormous dry of 2015-16, with successful delivery of every megalitre of water requested from TI. That was a great achievement and, as the minister said, it was the first year all 10 schemes from tranche 1 were under operation.

I am very excited to be joining TI at this time. I am following in the very big footsteps of previous directors John Lord and Geoff Coffey. They have shown enormous foresight, tenacity and perseverance to get TI to where it is today. We look forward to building on that as we move forward.

We have a focus on transitioning TI from being primarily focused on construction of water schemes to efficiently and effectively delivering water. That is the ongoing business. Whilst we still have two schemes under construction, and three in the pipeline to begin construction in the coming calendar year, we need to focus on the efficient delivery of water. There is a lot of work going on with Nicola and her team in making that transition.

Ms MORRIS - Having been in Tasmania previously and now coming back for my second stint, the changing face of agriculture we have seen from the spreading out of irrigation is so obvious. It is a graphic of the success of the irrigation programs and a tribute to everyone who has been involved in the past to get the entire concept underway.

Mr DEAN - There are some concerns by users of the system in relation to costs and increases in costs that they say are prohibitive in some instances for farmers. The uptake of available water rights in some of the newer schemes remains at 70 per cent or thereabouts. It would be timely now to investigate the barriers to further uptake in these instances. I'm told one of the barriers is the variable increases in pricing. Minister, can you give an answer in relation to the uptake of the remaining water rights available?

Mr ROCKLIFF - The schemes are not built unless there is sufficient uptake by the farmers. It has to reach certain thresholds. That is why it goes through a very rigorous process, from community consultation to expressions of interest, and then the process is more finalised. Once the viability of those schemes can proceed with sufficient interest and uptake then the scheme proceeds. Tas Irrigation works on a cost-recovery basis and do their absolute best to keep costs at a minimum to ensure the cost to farmers is as low and as competitive as possible.

Given the drought we had earlier in the year - driest winter, one of the driest springs on record, and the most prolonged period of dry on record in Tasmania - was that farmers did appreciate the true value of water. My feedback from farmers is that, while the up-front costs to certain schemes might appear high in terms of initial face value, the true value of water was found last summer and many farmers have reported that to be an extremely good investment. It has enabled their businesses to survive through that period. The key for Tasmanian Irrigation infrastructure is 95 per cent reliability and 100-year infrastructure, so farmers can be guaranteed that the water they purchase can be applied to their farms.

As with any new broom, as Nicola is, there are certain restructures, understanding of the business and where cost savings could be made to ensure farmers are not paying any excessive costs for their water. We have the variable cost rate and the fixed price rate. The barriers you might be referring to, Mr Dean, are those capital costs of water entitlements. Those costs would be significantly more if it wasn't for the strong, private/public partnership in which the state and federal governments contribute most of the cost of those schemes.

Mr DEAN - So what is Tas Irrigation doing to get other users of water where we only have a 70 per cent take-up at this stage? Farmers say that if there was full take-up then the water costs to them could be cheaper. They also say - and I will use the words of some of the farmers - we have currently this gold-plated TI system that is driving up their costs as well. They relate that to what is happening in some of the areas around the mainland. They look at the pay structures around the mainland, board members and all of this; they say the costs here are absolutely inflated and they are paying for it. They raise these issues and the issue about extra uptake, and if it did occur then their water rights would be cheaper.

Mr ROCKLIFF - You talk about gold-plated; it is 100-year infrastructure. It has to be built to last. The schemes to date have largely come in on budget, which is a testament to the people who have designed and constructed and 95 per cent reliability is the key. The 95 per cent reliability is unique for Tasmania. You have to factor in that investment.

Mr DEAN - What are we doing to get this extra uptake?

Mr ROCKLIFF - Last summer farmers had a greater appreciation of the value of water. A record amount of water was traded in that time. A number of water entitlements were purchased last summer.

Mr DEAN - It is still at about 70 per cent as I understand.

Mr ROCKLIFF - Yes. Sassafras was [inaudible] scheme and it is 100 per cent take-up.

Madam CHAIR - Is 70 per cent an average?

Mr DEAN - Seventy per cent is an average across the whole scheme. That is the information I have been given. One can take it from there some of the schemes are well below that.

Mr ROCKLIFF - Sassafras was a 100 per cent take-up, as I understand it. That is why the schemes, in terms of tranche 3, is looking at augmentation of the scheme to see how more water might be able to be applied.

Mr DEAN - Of those lower schemes, where the uptake is below the average of 70 per cent, what is happening in those areas and where are those areas to increase the uptake and why is it so low?

Mr ROCKLIFF - All schemes do not proceed unless the business case stacks up. That is the number one thing. The business case is sound for each of the schemes.

Ms MORRIS - First, I acknowledge you sound just like me. That is one of the key issues for Tasmanian Irrigation, how much water has been sold in each scheme because, without a doubt, if we can increase the water sales within a scheme and ensure future schemes are completely sold then we can spread our operating costs over the total water. I absolutely agree with you.

The 10 existing schemes range from 70 per cent sold, which is the lowest, to 100 per cent which is the highest. The average is slightly higher than the 70 per cent you talk about.

Notwithstanding that, we have started a sales program. We have split our sales strategy into three and we have said there are retail sales. They are schemes where commonsense says the water should be sold. They are schemes where there might be 100 megalitres left, 200 megalitres left. We have gone on a road by road basis and identified who has the water, who does not have the water but has a pipe or river going past them, and we are now calling those people, where necessary, to say, do you realise you have a pipe going through your land, would you like to purchase some of the remaining water. That strategy is under way and we have a target deadline for the end of the season. Going into June 2017-18 I want it finished to have the retail component completely sold. That is the target the person in charge of that has. We have a person who is absolutely in charge of delivering that requirement. That is the retail.

The second one is the wholesale which we have split into two. It is where we have bigger tracts of water, where just going and looking at neighbours not be sufficient, where we have to think outside the square. We are doing a lot of work around that and a lot is winter water. It may be as simple as looking at the cost of our winter water and understanding, looking at that cost, plus the cost to a farmer to have on-farm storage and working with them to achieve sales in that area. We have a person specifically in charge of that project so there is real ownership to deliver what needs to happen. Absolutely agree, if the water is sold, the costs are spread over a higher base. That is the first part of your comment.

The second part is around the perception of being gold-plated. Can I split that into two please? As the minister has said, in terms of build, I am absolutely comfortable to sit here and say that should be gold-plated builds. We want them to be 95 per cent reliable, year in, year out and we want them to last the test of time. I am comfortable if we spend good amounts of money on design and infrastructure to make them last, but if I turn to the operational business, I absolutely agree with you. There is a perception we are gold-plated. What I have said very clearly to my staff, and I have relayed this to irrigated Chairs, to irrigated committees, we are not going to be a gold-plated organisation. We do not need to be a bread and water organisation, but we are not going to be gold-plated.

If we look at the last set of operating charges we communicated to farmers, there are fixed and variable charges. We do not have a lot of control over variable charges because they are water and energy costs passed onto us. Having said that, we have worked closely with energy and water providers, and are continuing to work on new initiatives for energy reduction and prices.

In terms of our fixed charges, we did a line-by-line review of every single scheme, with me sitting at the front of the room saying, 'Justify that cost.' Out of that we took a lot of costs out, and we will continue to do so. I am driving a culture so that every single cost fought about should be questioned, how much is that - and on per megalitre basis. That is how we need to move forward.

Mr DEAN - The lower take-up areas, what are they?

Ms MORRIS - The lowest take-up area we have is Kindred North Motton and up at Ringarooma is 70 per cent.

Mr DEAN - What is the percentage take-up?

Ms MORRIS - Kindred North Motton is sitting at 73 per cent. There are around 700 megalitres not yet sold.

Mr DEAN - What is the business case figure you said you needed before you would consider one of these schemes?

Ms MORRIS - In tranche 1 it was mid-60s to 70 per cent.

Mr BOSTOCK - Between 60 to 80 per cent.

Mr DEAN - That is what it has got to be before you will even -

Ms MORRIS - That was in tranche 1.

Mr DEAN - Yes.

Ms MORRIS - What we are finding now - again as the minister rightly said, having come out of the dry season - people have seen the real benefits of irrigation. I have a view that we should be looking to sell out the schemes. If we look at the Duck, the Swan, and the north Esk rivers, we have had to redesign to take -

Mr DEAN - That is my next question, if Madam Chair will let me ask it -

CHAIR - Then we will move to the others. I am counting the questions so I do not take any flack at the end of the day.

Mr DEAN - The information we are getting is there needs to be a time line provided on clarification of the intention to transfer operations and management of the schemes to local communities, where feasible and appropriate. Some irrigation district communities expressed genuine need to manage the operation and management of their schemes, but they are not seeing any willingness from TI to do this at all.

That is what they are telling me. Other irrigation districts are content for TI to maintain management and operation as long as continuous improvement in service delivery is maintained and transparently communicated. What is the intention of TI in transferring operation of these schemes across to the community, as is occurring with one. I am aware of the Cressy Longford scheme.

Mr ROCKLIFF - Thank you, Mr Dean. That is a good question. The original intent, as I understand it, was to transfer to local ownership in terms of management. That is still the intent, if the farmers themselves wish to do that. The feedback from some areas has been that farmers are busy enough operating their own businesses and applying water and other imports to their crops or pasture. They are time poor in their ability or wanting to manage greater input and be operational locally. It is dependent on the community. I do not think there is a lack of willingness for TI to offer local management if that is what the local community want.

Mr DEAN - Maybe there is a breakdown in communication. This is the information coming from a lead group, I might add.

Mr ROCKLIFF - That is fair enough. I think you would have picked up on Nicola's comment. There is a greater emphasis on working with farmers and local communities under Nicola's leadership. It is to gain a true understanding of the business, and to dot every *i* and cross every *t* to gain understanding - TI was very much a building and construction-focused organisation with tranche 1, as it needed to be, and now we realise quite clearly that when transitioning to almost both - tranche 2, tranche 3 on the way - but in a more operational sense as well.

We need greater emphasis on strong communication between farmers, those water users and TI. Would you like to elaborate on that, Nicola?

Ms MORRIS - Certainly. At a meeting I held a couple of months after I had started, where we gathered together the chairs of each of the irrigation groups, the question I was asked was not so much your question. I was asked what my view was on schemes returning to be self-managed. I have never been asked where is a time line for this to happen.

Mr DEAN - You are now.

Ms MORRIS - Yes. My view, and it is something I strongly adhere to, as I looked the questioner directly in the eyes I said, 'I believe TI's operational business should be so effective and so cost efficient that you would not want to have your management back'. We don't have a time line for going to communities and saying, 'Would you like them back?'. We have worked the other way and said, 'Come to us and talk to us if you want to revert to self-management.'. I have not had that approach from anyone.

Mr DEAN - There will be further discussions with the users in that regard?

Ms MORRIS - Yes.

Mr DEAN - It could be seen that TI is protecting its position, protecting its security, in not wanting to transfer these schemes across to the farmers and to other areas.

Ms MORRIS - I think the comment around communication was very valid. We are working as TI and we are working with our Chair people to make sure that the communication we have, say, with irrigated Chairs and then with irrigated committees, has been distributed to the irrigators themselves. You are entirely right that there are some break downs within those groups and we are working with them to ensure that is resolved in the future.

Mr DEAN - Thanks, Madam Chair.

Mr WILLIE - Minister, in 2014 you said you were optimistic that the Australian Government would find its share of the \$110 million for tranche 2. As it currently stands, the state Government has committed \$30 million and the federal government has committed \$60 million so there is a shortfall. It is all right to be optimistic but what have you done about it?

Mr ROCKLIFF - A lot.

CHAIR - You have had a lot of lobbying help, I might add, from a lot of members of the parliament to get that federal commitment.

Mr ROCKLIFF - Yes, and I appreciate that. It is very important - we can come to your Scottsdale scheme, if you like, shortly.

So \$90 million was received for tranche 2 from state and federal government. Tony Abbott confirmed \$60 million, with the commitment from both parties, in the 2014 election to the \$30 million, making it \$90 million to progress five schemes. All five schemes are progressing or are progressed. I have mentioned two that are under construction, Swan Valley and Southern Highlands. Three are continuing to be progressed. We are committed to all five projects. The developmental process is the same as tranche 1.

The Government has advised the TI board that they can proceed to the next stage with confidence and that the funding required to complete all five tranche 2 schemes will be available when needed, subject to the normal process of finalising business cases and the necessary development for approvals.

Our contribution was \$30 million and any contribution above that will be committed in the 2017 Budget process. The partnership in tranche 2 is based on a notional 50/50 split between the Commonwealth and Tasmania, where Tasmania's share is made up of state and farmer contributions.

Following recent discussions, we are very confident that an application from Tasmania to the new National Water Infrastructure Development Fund for additional funding, will be competitive and received positively.

In summary, there is a very clear funding pathway for tranche 2. If the business case for each project stacks up, TI and farmers can have confidence that the funding required will be available when needed and the five schemes can proceed.

Mr WILLIE - Minister, if the funding is not coming from the federal government and that is not successful, will the state Government step in for the shortfall?

Mr ROCKLIFF - I am very confident that the federal government and our submission to that national water infrastructure fund will be received positively by the federal government. It is a process to go through but I have absolute confidence, and the Government has given that confidence to TI that they can progress the three schemes, the North Esk, the Duck and of course Scottsdale.

CHAIR - How much is the application on foot now for, minister?

Mr ROCKLIFF - We are finalising that now, Chair. The total figure at this stage for the completion of all five schemes is in the order of \$172 million. A large part of that is the contributions from the farmers themselves. The state government committed to funding our fair share of that, and that will be realised in the upcoming budget process. I know that the federal government and the Deputy Prime Minister look upon Tasmania as a successful model in terms of the construction of irrigation schemes and the strong and robust public-private partnerships. I was sharing the stage with the Deputy Prime Minister I think in October 2015 - it may have been earlier than that - at a meeting of all states in Canberra. I

was asked to speak about the success of our tranche 1 schemes and the business model. Mr Willie, I am very confident that our application will be received very positively, so confident in fact that TI can now progress with confidence.

Mr WILLIE - When is the time line for that process to finish?

Mr ROCKLIFF - As I say we have the latest updated figures on the cost of the schemes in total being \$172 million. Our farmers' contribution to that is \$37 million. We have already committed \$90 million from the federal and state governments so we need a further \$45 million of the state and federal governments' contribution. I am confident that the schemes will be delivered as proposed and as per the farmers' expectations proposed in the timeline.

CHAIR - Minister, it has been suggested that we are not in favour with the Commonwealth at the moment because they took a pasting at the last election. That has only been reported in the last couple of days with another application for funding that was unsuccessful for the HMAS *Tobruk* where we are out of favour. You don't see any concerns about being out of favour with the Commonwealth? You don't think that they will punish us because their elected members weren't re-elected at the last election?

Mr ROCKLIFF - No, I don't, Madam Chair.

CHAIR - I am pleased to hear that because it is a bit of a worry.

Mr ROCKLIFF - I have a very good personal relationship with the Deputy Prime Minister. You might recall when they announced the original proposals for national development of water infrastructure, I stand to be corrected but I think of the six key schemes nationally, five of the schemes were ours in Tasmania. Again, this might have been 12 to 18 months ago, that original and first report.

CHAIR - We did have a lot more of the government that is in now represented in this state. We don't have that in their eyes right now. People are talking about that. Are we going to be punished for that?

Mr ROCKLIFF - I can assure you that no, we won't be, and I can assure you that the dialogue between myself and Mr Joyce, the Deputy Prime Minister, is very strong. He is a believer in our bipartisan irrigation development since its inception by state and federal governments, irrespective of political colour, and that continues. I am absolutely confident that the federal government will embrace the opportunity of supporting Tasmania, because they understand how it has transformed our agricultural landscape and opportunity.

CHAIR - I could not agree more, but I was very concerned that could be the case.

Mrs ARMITAGE - With regard to work on the Southern Highlands scheme and the Swan scheme, any idea when they are likely to be completed? They've started, haven't they?

Mr ROCKLIFF - Yes, they're all started. Southern Highlands is a \$31.26 million project. The government contribution is \$22.6 million and irrigator contributions are \$8.66 million. In terms of Ivan's question, I'm giving a big tick to the farmers here because you cannot set out in isolation, because their contribution is the tap to the paddock or farm

gate. What has to be remembered also is the network of underground mains to distribute that water across their farms. That is, depending on the size of the property, enormous capital infrastructure and ongoing maintenance. With tranche 1 and tranche 2 irrigation between 2008 and 2018-19, that is when I talk about a billion dollars worth of irrigation investment when you add farmers' contributions to get the tap to the property, the state and commonwealth contributions, and then the farmers' contributions to distribute that water across their property.

In March 2016 we announced the construction of the Southern Highlands scheme. This is the first Tasmanian tranche 2 irrigation scheme, originally planned to provide 6500 megalitres of high reliability irrigation water to the Bothwell region. The scheme has increased to a 7215 megalitre scheme after an extremely successful water sales program, with 23 landholders purchasing water in the scheme. Demand for water entitlements was so strong that an increase in scheme size was warranted. Tas Irrigation completed a redesign of the scheme to meet this increasing demand. Hats off to Tas Irrigation for their flexibility and listening to farmers.

The scheme infrastructure includes a 7600 megalitre storage dam located at Southern Field, a 1 megawatt pump station situated at Shannon River, and 58 kilometres of pipe distribution.

Mrs ARMITAGE - When are they likely to be completed?

Mr ROCKLIFF - We expect by the 2017-18 irrigation season.

CHAIR - When do you think the barbecue will happen?

Ms MORRIS - Irrigators will be turning on their water in November 2017, which means that the dam will be finished pre-winter, so April/May/June, allowing for dam fill over the period when we have excess water so that irrigators are ready to turn on.

Mrs ARMITAGE - I am reading a comment here that post-construction water sales only reached \$369 000 over the past year, short of the company's target of \$7.230 million -

CHAIR - We know that's a misprint.

Mrs ARMITAGE - I know, but there is still an issue there. You still didn't reach the target.

Mr ROCKLIFF - In terms of?

Mrs ARMITAGE - Post-construction water. You still didn't meet your target, did you?

Mr ROCKLIFF - Targets are important to keep everyone accountable and encouraged to strive to that target. As we have discussed previously, Tas Irrigation are endeavouring to do all they can to reach their budgeted targets.

Ms MORRIS - The misprint is unfortunate and I acknowledge that.

CHAIR - Have they corrected that?

Ms MORRIS - It has been corrected. The key thing now is we have a dedicated person and part of their role is to sell water, so they have very clear objectives - how much water has been sold versus realistic targets, with time frames put in place. So there is someone focused on doing it as opposed to it being part of everybody's role.

Mr ROCKLIFF - As to the second part of your question on Swan Valley, the expected start date is the 2017-18 season again. That is an \$18.8 million project: \$15.18 million government contribution; farmers and irrigations, \$3 million. It is a 2000 megalitre scheme. Scheme infrastructure includes a 3400 megalitre storage dam located on the Mill Rise property at Cranbrook, 38 kilometres of distribution pipeline, one pump station on the Swan River, which we use to harvest water during high flow events to then be stored at Mill Rise dam. That is on track for the 2017-18 season.

Mrs ARMITAGE - You mentioned a 'new broom' and that instead of focusing on establishing schemes the business will investigate new ways to invest to ensure quality and reliable water supply to customers. Can you give us any idea of that?

Mr ROCKLIFF - We committed the \$30 million from tranche 2 scheme, but also some \$500 000 at the 2014 election to look at the interoperability between schemes, the interconnectivity between existing schemes, and how we can augment and enhance existing schemes.

CHAIR - Does that include your mini hydros?

Mr ROCKLIFF - Yes, it would. I point you to the Tasmanian Future Irrigation Project report to the Tasmanian Government. We released that in Swan Valley in May this year. It talks about some of the work done as a result of that investment.

Ms MORRIS - It is a very important point. We have built some extremely good infrastructure and now we need to look to the future as to how we enhance the existing schemes we have. If we have unsold water in one area, how can we interconnect our schemes so that we can move it to another area. That is part of the future irrigation project. We are in the final stages of appointing someone to manage that project to take it to its next step. Now we have the eight identified, what's our time frame and budget to allow each of those to be developed? It is a very important part.

Mrs ARMITAGE - On page 35, regarding a drop in assets from 2015-16 of almost \$18 million, is that due to depreciation or have some assets been sold off?

Mr CURTAIN - When we commission a scheme there are some adjustments for impairment, so that's the recognition there. I believe that was also in the Auditor-General's report.

Mrs ARMITAGE - So not depreciation?

Mr CURTAIN - Correct.

Mr VALENTINE - I don't think anyone would deny that delivering irrigation infrastructure in the way it is being delivered is a great thing for the state. Productivity can

be improved in a lot of areas in Tasmania. I am thinking of the salmon industry now. It was gangbusters for a while and people were developing and putting up salmon pens and the like, and now there are environmental concerns with salmon farming. I am thinking about environmental concerns that might arise down the track with irrigation systems. I realise your measurements of turbidity and all those things you undertake have been 100 per cent complete, but what happens when you find there is so much nutrient going into the river system it is affecting, say, those in the inland fishing fraternity? How are you going to manage to control that in future so you do not end up with what we have now with the salmon industry and the concerns in the community?

Mr ROCKLIFF - That is a very valid question for a number of reasons. Farmers have to invest dollars to build their schemes, they also have to do a Farmer Water Access Plan that covers off on a whole farm planning project. Part of that is responsible use of water.

To take Mr Dean's point, water is not cheap and nor is fertiliser. The application of too much water, you are wasting the water and leaching nutrients is not smart either. That is why farmers are good operators. That is why we also need to invest in programs such as our water productivity program, Water for Profit Program, which covers these matters.

To the bigger picture issue, the social and economic value of applying water is becoming stark in Tasmania. It was no starker, to me, than when I visited Ashburton in New Zealand about 12 months ago. It is a traditional dry land, sheep grazing area, rural community largely in decline, schools closing et cetera. The conversion of dairies to that land through the application of water transformed the region, socially and economically. Schools remained open, health centres remained open and retail, supporting agriculture, went gangbusters. That is a very good example of the social and economic benefits of intergenerational investment in irrigation infrastructure.

I was also very mindful of your point, Mr Valentine, of the environmental consequences of applying that water. To take the Canterbury Plains, where you have lots of aquifers underneath the Canterbury Plains and the leaching affect of dairy effluent through the soil causes environmental problems. That is why the fisher people in New Zealand - and we met with the body representing the fishers - do not have a high opinion of the dairy expansion. We have to be very mindful, as a government, when we apply water we are also educating our farmers on responsible use of that water, effluent management and the like. I do not want to get into a situation where our main media, like the Christchurch press, have labelled the dairy industry 'dirty dairying' because it is very destructive and antagonistic.

Mr VALENTINE - That is why I asked the question. Decades down the track we do not be in that situation.

Mr ROCKLIFF - That is what we are avoiding now. There has been some work done with DairyTas. What I discovered was, visiting New Zealand, New Zealand admit they did not do it right with the effects of that rapid expansion of water development and conversion from sheep grazing areas to dairy. DairyTas are very successful in this. I think there is a collaborative project between DairyTas and NRM North on dairy expansion and how to manage the effects of that with effluent management, fertiliser management, nutrients on par, and so on. Our waterways can remain clear for all the community to enjoy.

Mr VALENTINE - Can you explain what the process is when you do your measurements? What measurements are being taken to indicate whether we are seeing high levels of nutrient or whatever in the streams? I would be interested in exactly what you do there and what the process is when you find it is being exceeded. The farmer has a crop to deliver - maybe it is a crop, it could be dairy - and it is very difficult for them, all of a sudden, to stop their process and expect to maintain solvency, if I could put it that way.

Mr ROCKLIFF - Farmers have to be very mindful of other industries as well. Circular Head expansion of the dairy industry and irrigation can also impact on oyster farmers. This is where strong industry collaboration between and across sectors is so vitally important and farmers need to be very mindful of responsible application of fertiliser and water. On farm, they would have their water access plan and Nicola might want to explain a bit more about that. They manage that on farm themselves and again there are good incentives economically why you would want to do that.

Mr VALENTINE - But they are not doing the measurement, are they? Isn't it TI that does the measurement of the water quality?

Madam CHAIR - Their management plans are assessed.

Mr VALENTINE - Yes, but who does the measurement? Who calls the alert that something is going wrong here?

Mr ROCKLIFF - Industries themselves, and the oyster industry is an example, would be very alert any excess nutrients in the water. There is monitoring by DPIPWE. There are also issues around ensuring a testing regime for chemicals in our waterways for example, which is a by product of farming as well - MCPA is an example of that, particularly when you are managing pastures.

Mr VALENTINE - Does the EPA get involved? That is why I am asking the question.

Mr ROCKLIFF - It would get involved if it was excessive, absolutely. If it was exceeding those parts per million that we talk about. DPIPWE monitor, as I understand it, on a risk basis, so in high-risk catchment there is more monitoring that takes place. As to what TI do exactly, Nicola, would you like to talk about that?

Ms MORRIS - One of the minister's comments just then is the absolute key. Water is expensive, fertiliser is expensive. As a farmer myself, that management of those two costs to ensure that they are not being wasted is absolutely critical.

Mr VALENTINE - Absolutely. I can understand that.

Ms MORRIS - The farm water access plans are set up before a farmer first turns on their irrigator and then we audit a sample of those every year. That allows us to check that the farmer is applying his water where we thought it was to be applied or he told us it would be applied, and is managing any run-off issues. That is the key thing. Alongside that, we have our own monitoring system and we are monitoring a range of nutrients, stability, salinity and so forth. When we are in construction, we have different thresholds and quite often they are higher thresholds in some areas. We have, and certainly with the extreme wet we've had in these last few months, stopped construction where there are issues. We are very much self-

policing that and then above that we have DPIPWE who monitor our results. All of our results are since[? 9.48.34] checked by DPIPWE. As the minister said, if there was a breach of those requirements then obviously the EPA would be involved. To my knowledge that has not happened to date.

Mr VALENTINE - Some of the feedback we are getting is that the Break O'Day and the Clyde River are very heavily impacted by this. I am wondering how we improve that situation.

Ms MORRIS - I'm not aware of that specific issue but certainly, as a matter of course in water going onto farmland with the farm water access plans, I am very comfortable that we are working with farmers and working with TIA and DairyTas as to how to manage that effluent problem.

Mr VALENTINE - Thank you.

Mr WILLIE - Minister, it is my understanding that there are commercial agreements in place in regard to access to water with Hydro. If that correct?

Mr ROCKLIFF - Yes.

Mr WILLIE - Has anyone raised concerns with you about the Chair's dual role as a director of Hydro and also being Chair of Tasmanian Irrigation?

Mr ROCKLIFF - We are very mindful of any potential issues around conflicts. I am very comfortable that there are no issues in terms of -

Mr WILLIE - Have concerns been raised with you?

Mr ROCKLIFF - With concerns raised with me directly, there have probably been one or two comments about that, but very early on. I believe Ms Hogg is doing an excellent job in terms of managing and sharing at TI, so I see no concerns at all.

Mr WILLIE - Did the selection panel raise concerns with you?

Mr ROCKLIFF - That is an independent process. The selection panel is at arm's length from me. They recommend to me who is Chair, and I welcomed -

Mr WILLIE - It is before Samantha's time, but let us say a situation like Arthur's Lake during the energy crisis occurs, how will you manage that conflict of interest?

Mr ROCKLIFF - I can ask the Chair if you would like to -

Ms HOGG - I would step out of either a Hydro or a TI board meeting, and I would appoint the deputy chair to manage the issue. I would depart from that. Conflict of interest is something we all want to minimise and do not want to be exposed to at all. If there is a potential for that to occur at any stage - I very much doubt it will, but if there were, I would just excuse myself from the conversation and not be part of it on either board.

Ms MORRIS - May I comment on that as well, please? First, I am comfortable with what the minister just said. We are extremely lucky to have someone with Sam's expertise back in Tasmania and to join us as the Chair. To your point exactly, when Sam came to meet my management team, I actually asked Sam if she could answer. She had already talked to me about could she talk to the management team about any perceived conflict of interest. I was extremely comfortable, as were my entire management team, with her response around the opportunities for better understanding of water management across the state.

CHAIR - I have a question, minister, around the mini Hydro schemes, because they actually made some money, about \$700 000. That is good news.

Mr ROCKLIFF - Yes, it is.

CHAIR - Are there any plans to expand those mini Hydros, to have more of them? If they are making money -

Mr ROCKLIFF - Expand them? If it is an economic proposition, then TI will assess that on its merits. There is no reason why we could not look at those opportunities.

CHAIR - Because we know, for instance, the expansion for dairy at Waterhouse is slow at the moment because they do not have power. There is no power into Waterhouse, as you know. They are using generators, which is not cost-effective. Expansion is going to be difficult in that particular area, even with water development. There would be a perfect opportunity. You would like to think Hydro would get their act into gear and actually put the power out to there. Obviously they are saying it is too expensive and somebody has to pay. I am interested in exploring that if I can. I do not want to take up all the committee's time because I know it is -

Ms MORRIS - Certainly, energy is a huge issue for the agricultural industry both before TI, the cost of us delivering water-using energy, and then for the farmers, the energy they need to apply to look after their paddocks. We have formed a project team within TI to take a really holistic view of energy across agriculture. We will not be doing it in isolation. We have asked DPIPW to join. We have asked the FDA to join.

CHAIR - What about Hydro, are they on board?

Ms MORRIS - All the energy providers.

CHAIR - They are the ones we need, Nicola.

Ms MORRIS - To have a holistic view of how can we make energy costs more efficient for farmers? It is certainly at the very top of our -

CHAIR - There is hope?

Ms MORRIS - Absolutely.

Mr VALENTINE - You say for farmers, particularly Tasmanian Irrigation, anything it can recoup back is good. You are telling me you are actively working with farmers to help

them to look for opportunities to perhaps run a Hydro scheme through the delivery pipes to their properties. Is that what you are telling me?

Ms MORRIS - That is what we are forming a team now to do. In the past, we have focussed on the Hydros at the scheme level. We have two hydros at the moment, Scottsdale will bring that to a third hydro. The technologies have changed so quickly in these last five or 10 years, there is now the capacity to have an in-pipe power generator. We are starting to look at all those technologies. The aim of the project is to understand it does not need to be a big hydro plant sitting somewhere, it could be an in-pipe power generator.

Mr VALENTINE - It can't take too much of the energy the water being fed in -

Ms MORRIS - And you have no flow.

Mr VALENTINE - you have to re-pump it.

Ms MORRIS - We've listened to our farmers through our irrigator chairs and so forth and understand that is probably the most topical issue at the moment.

Mr VALENTINE - That would be a benefit to the farmer in the sense they are selling power to the grid as opposed to storing power in some way?

Ms MORRIS - At a very high level we believe the benefit is on farm, reducing energy usage and reducing their home costs.

CHAIR - My last question is around the Auditor-General's comments in relation to the additional audit procedures around reviewing the retention of pay rate changes on individual employee files, maintenance and appropriate approvals. Can you tell me where you are with that review?

Mr ROCKLIFF - Yes.

Ms MORRIS - I think the comment has been made TI was formed as build business and it has done an incredibly successful job. It would be fair to say the philosophy was to go out there and build the schemes. As we've grown, it would be fair to say some of our systems may not have grown at the same time. One of the things I did when I started was commence a review of things like our financial and HR systems. To be clear they have been perfectly adequate, but they could be better. This is a good example of that. We now have a far more disciplined approach to how we manage HR and payroll functions. There was nothing wrong, but it wasn't structured.

CHAIR - You've streamlined the process. That review has been completed, and did that come at a significant cost?

Ms MORRIS - Absolutely not. We have never had a dedicated HR resource, so we brought someone in as an HR resource and they have streamlined everything from payroll systems through to performance systems and so forth.

CHAIR - Do they stay with the organisation or have they done their job and they move on?

Ms MORRIS - Initially we thought we would bring them in on a short-term basis. The role has been so successful, and as many of you would know, HR is often not well received in some industries.

CHAIR - People don't necessarily like to have their little worlds turned upside down.

Ms MORRIS - This has been extremely well received and we see ongoing value with them.

CHAIR - What is the remuneration for that position?

Ms MORRIS - Certainly under \$100 000.

Mr DEAN - I had a couple of questions on the mini hydro schemes as well. Does TI have a time frame for the repayment of a loan for the mini hydro scheme and will they include this income as revenue in the Meander Scheme to help offset some costs associated with operating the scheme?

CHAIR - Minister, you will see we receive a lot of input when the community knows we're going to be undertaking this process. Hence, the questions come forth.

Mr ROCKLIFF - That's really good. I receive questions as well in my respective portfolio hats as I travel about shows and communities.

Mr DEAN - In asking that question perhaps I can add another, minister, if you don't mind. What are TI's views in handing back to the ownership of the Greater Meander Scheme? I've talked about handing back the schemes, including the mini hydro to its shareholders and have a farmer-run scheme. I understand there is interest in that scheme going back to the farmers. I think there are only two of the 19 at this stage that have been handed back to farmers?

CHAIR - One was never handed over.

Mr DEAN - Here we have a scheme and I understand there is interest in farmers taking it over. Minister, if I could have those questions answered?

Mr ROCKLIFF - Yes, sure, I will hand them over to you.

Ms MORRIS - If I could answer the first part of the question around the Meander Scheme in general. Since I've been in the role I've met with the Meander Irrigator Committee and had solid discussions about the scheme, how it's operating and their concerns around the scheme. It would be fair to say we haven't reached an end point yet on how we address some of the concerns they have but we have very good dialogue going with them about the issues around the hydro scheme and the sharing of that revenue.

Mr DEAN - That is the progress you have made? How do you intend to expand that progress? What are your time frames for moving that forward? There is real interest in this scheme.

Ms MORRIS - Absolutely. I have set the time frame for being the end of this season, so July-August 2017.

Mr DEAN - Is TI's position one of yes, they will go down that path, they will consider passing it across to the users?

Ms MORRIS - My understanding is that the final decision for a scheme to go back to self-management would be a recommendation to the minister.

Mr DEAN - And that is by TI to the minister?

Ms MORRIS - Yes.

Mr DEAN - Are you likely to do that?

Ms MORRIS - For any scheme - not specifically the Meander - I would be working very closely with that scheme to say, 'TI should be able to do it better so that you don't want to'. The more complicated a scheme, the more I would want to make certain scheme members were aware of what they were potentially taking back.

Mr DEAN - I suppose it's true to say the more schemes TI can keep under its umbrella, the stronger TI is and the more likely it has security in the future. Is that the fact?

Ms MORRIS - TI absolutely has a mandate to be an operational provider of water as well. Without doubt, the larger the volume of water we have the more efficiently we can do that. There is a risk, not to TI, but to other irrigators if some schemes go back to self-management - do we still have the ability to look after those that don't wish to be self-managed, with a lower volume of water to spread costs across? That will always be a challenge.

Mr DEAN - It would be true to say the concern of some of the users of these schemes feel there is opposition from TI to want to pass those schemes back to them to operate and manage? The Longford-Cressy one is working very well, as I understand, but you might have a different view to that. If you have, I would like to know about it. The costs are reasonable, as I understand. I am not quite sure of the difference in the costs in a scheme self-managed and one managed by you. I suspect there is a difference but maybe you would like to cover that, minister. There is some concern by farmers that TI is reluctant to pass those schemes back to them.

Mr ROCKLIFF - I'm not sure where that feeling has been generated. The Longford irrigation scheme is a very different scheme and built in a different time, under very different circumstances. Winnaleah is the same. They have a mini hydro as well. I don't see any real reluctance about why that would be, but farmers have to drive that. They would have to be open to wanting to manage and operate those schemes themselves. The feedback I receive from farmers, not on every scheme, is they would prefer to be farming not operating irrigation schemes. That might not be the case for every catchment or every area.

Mr DEAN - I am not sure I received the answer to the greater Meander scheme. Are you considering, at this stage, returning that to an outside management - to farmer

management - or to another group management? Is that under consideration or is there no thought about it whatsoever?

Mr ROCKLIFF - I haven't considered it.

Mr DEAN - Maybe the CEO could address that, minister.

Ms MORRIS - The approach is different to that. I don't believe it is for TI to consider sending the schemes back to self-management. I believe it is for TI to absolutely listen to the irrigators and the irrigator chairs if they wish to consider self-management. In the nine months I have been in the role I have not had an approach from any scheme.

Mr DEAN - That was the original idea, as I understand, that they would be set up and once they were set up the intention was to return them to the ownership of the consumers. I understand that was the general idea.

Mr ROCKLIFF - That was the general idea, originally.

Mr DEAN - Why wouldn't TI, minister, talk with the users and consumers with a view to passing the management of those schemes on to the farmers?

Mr ROCKLIFF - I am not sure that is not happening. The CEO has already indicated there is a review happening and there has been no closed-door approach to that, as I understand it. I don't get involved in operational matters per se.

Ms MORRIS - There is absolutely no closed door, I am categorical about that. We are not receiving those approaches. To your point, no, we are not proactively saying 'go back'.

Mr DEAN - Shouldn't it be the other way though? Shouldn't it be you going to them? That is the original position of the schemes.

Ms MORRIS - My comment would be that the feedback we have had has been the contra - get better at managing at TI, we don't want it back.

CHAIR - Two supplementaries from Mr Valentine and Mr Willie, and you need to make them sharp.

Mr VALENTINE - It has been expressed to us that greater transparency and improved reporting is needed around the variable costs specific to each scheme. Do you intend to improve that aspect? I think this is why some of them are interested in taking back the scheme so that they can have more certainty and they can do it cheaper. You said earlier that you didn't have a lot of control over those variable costs. Perhaps you can explain a little bit about the transparency first and then about why you don't have control over those variable costs.

Mr ROCKLIFF - The variable costs, as the CEO said, are passed on and are largely beyond TI's control because the variable costs involve energy and water, and they are variable. My understanding is that some of the variable costs are across all the schemes. One scheme was 9 per cent down and one, I think, 32 per cent up. There is huge variability across

schemes, depending on how the scheme is designed and constructed, I am assuming. Would you like to talk on that, Nicola?

Ms MORRIS - There are a couple of comments; first, around the communication. We discussed earlier that the communication is very good between TI and the irrigator committees. Prior to the price increases, we sat with each irrigator committee and we went line by line through fixed and variable costs so that the committees understood the pricing mechanism.

We have identified that we need to do something differently in ensuring that this communication is then delivered to individual irrigators. They haven't had that level of detail previously so we have certainly addressed that.

Mr VALENTINE - It is big business we are talking about here, collectively, across the state. There are something like 445 farms that are involved, is that right, something in that order, from your report? I think I read that somewhere but don't hold me to it. That's big business. Is TI working with the power providers? Major mining companies get significant benefits and they strike a deal. Is that actually being considered here for the irrigators?

Ms MORRIS - Absolutely, and as part of our power project I talked about earlier, that is exactly what we are trying to do. Can we use that collective power capacity that we have, plus what the farmers have, to try to strike those deals? If I use the water example - the Hydro example - we worked very closely with Hydro so there is a price-smoothing effect this year. If there had not been a price-smoothing effect then the variable water charges would have been significantly higher based on the revenue forgone from power generation.

Mr VALENTINE - No doubt there would be some significant infrastructure costs to be able to make that happen because they would have to measure separately and the like.

Ms MORRIS - Yes. We are very aware of the impact of those variable costs and are actively working on how we can manage those.

Mr WILLIE - A supplementary to Mr Dean, talking about management of schemes. Once the construction phase is finished what is the future for Tas Irrigation? If it is just a management issue, is there potential for Tas Irrigation to be merged into DPIPW? There has to be a tipping point there somewhere.

Mr ROCKLIFF - Hopefully not in the near future. It is a good question because we have discussed this at length. There was a building approach in terms of tranche 1, as you would appreciate, with 10 schemes. Tranche 2 is five schemes and there are eight scheme proposals, augmentation or enhancement for tranche 3 - potentially. There will hopefully be some time in TI's current brief where they are still constructing and building, but they are moving that through to an operational stage. I have not considered, given we are in the middle of tranche 2 and tranche 3 is on the agenda, life beyond TI. As we are consulting with communities, people are thinking outside the square now in terms of interoperability between existing schemes and the potential for a community to have an irrigation scheme. The real value of TI's approach is the ability to attract funding from federal and state governments, the way it is structured, and importantly the ability for TI to cut through the difficulties around the EPBC act and the work TI has done with some of the environmental hurdles to get these scheme up.

I do not envisage, and I do not want, TI to stop building schemes in the near future. I want to see tranche 2 completed, and tranche 3 well and truly on the way. That depends on business cases. I have not considered at all and would be hard pressed to be convinced of merging DPIPWE and TI.

Mr WILLIE - Construction phase estimated time of completion for tranche 2 and the proposed eight if that goes ahead?

Mr ROCKLIFF - Tranche 2, the 2019-20 irrigation season. Tranche 3 -

CHAIR - They are the difficult ones. You are going to have to be fairly cautious about the date for tranche 3.

Mr ROCKLIFF - Yes, they will be challenging because in some of the schemes we are going back to the drawing board, identifying and trying to overcome some of the original hurdles.

CHAIR - There will be improved technology.

Mr ROCKLIFF - Absolutely. In some areas around Tasmania it was referred to as 'fatal flaws' in projects when the work was done within government and did not proceed. We are going back and revisiting those.

Ms MORRIS - There will come a time when there are no more irrigation schemes to be built by TI because they are no longer meeting the business case requirements. We have done tranche 1, tranche 2, certainly there is a tranche 3, and who knows beyond that, but there will come a time. We are already working on it. We will have a purely operational business which needs to be focused on that cost-effective, efficient delivery of water. No, we have not discussed whether that would sit on its own or somewhere else. It is very much part of our planning.

Mr ROCKLIFF - We have done an irrigation satisfaction survey. Given it was an extremely busy and dry season, we did a seasonal review process. In reference to TI, 75 per cent of respondents were satisfied, 15 per cent neutral and 10 per cent not satisfied.

CHAIR - How many in the survey?

Mr ROCKLIFF - 520 irrigators responded.

Ms MORRIS - Literally that is hot off the press, so we have not done the full analysis of what percentage of irrigators across the state it is, but we are pleasantly surprised at the level of responses.

CHAIR - Hot off the press. One for the press.

Mr VALENTINE - Do you benchmark the setting of levies with other jurisdictions?

Mr ROCKLIFF - In terms of the variable and the fixed costs, Mr Valentine?

Mr VALENTINE - Those sorts of things and how often you reset them.

CHAIR - How we are doing compared to Victoria.

Mr ROCKLIFF - It is difficult to make direct comparisons because a lot of the Victorian schemes would not have that reliability. Of course we went through the whole Murray/Darling issue a few years ago and the drought.

Ms MORRIS - In terms of fixed and variable costs, the variable costs are so specific to the individual scheme I am not sure that is valid. I make the comment around benchmarking and fixed costs are a very good measure. It would be fair to say we are starting to look but it is early days. We have not done any formal benchmarking to say our fixed costs versus other areas.

Mr VALENTINE - In doing that you obviously have life cycles for various pieces of equipment, you keep track of that. As they fail do you update real time and then say we thought it was going to be a 60 year piece of infrastructure but it turns out we have had two failures at 30 years. Do you update immediately or do you wait and do your updates?

Ms MORRIS - We have a very clear asset management fund which is individual to each scheme so farmers can transparently say we have put aside x thousand dollars for our scheme. To that level they can look at their bank statement.

Mr VALENTINE - That is to keep the costings within that scheme?

Ms MORRIS - Yes, that is for them and we are working actively on a robust asset management plan so exactly to your point, we do not wait until it breaks.

Mr VALENTINE - That is okay, and the last was flood damage. Did you have much flood damage in your infrastructure for TI?

Mr ROCKLIFF - There was some and TI are working through a process now with the insurance companies. We have got in-stream infrastructure and pumps and the like.

Mr VALENTINE - Huge amount?

Mr ROCKLIFF - Not excessive, no, but some damage.

Ms MORRIS - We were fortunate compared to many farmers is how I would express it in terms of our siting of pumphouses in particular and water takes out of rivers. We are comfortable there was no damage that stops us from supplying irrigators with water for this season. Our biggest challenge has been because of the progression of flood events we have had, is having the ability to get back in there and fix things because the water events are still occurring. Nothing has stopped us from being able to deliver water for this season.

CHAIR - Thank you very much. I will be suspending now for a morning tea break.

Mr DEAN - Minister, there is a perception out there within the farmers of inflated costs within TI, the running of TI, that those costs are being borne by the consumers. That is causing them to have to pay higher prices for water consumption. What are the executive

salaries within TI? I am trying to pick it up. The farmers have referred some of those to what is happening on the mainland and they say the costs here are greater than on the mainland. I am wondering if that is the case and if it is, why?

Mr ROCKLIFF - The figures are on page 62 of the financial statement in the annual report. Very clearly there, but can I also say TI have delivered. There has been and there will be some billion dollars worth of irrigation infrastructure over a 10 year period and the salaries reflect the competence of the individuals. In terms of operational costs and what TI have delivered is a good thing. I point out the board have also had a reduction. The Chair salary has reduced as has all the other board members. That is a good thing and aligned with farmers' and the Government's expectations.

Mr DEAN - Comparisons are being made between what we are paying here for the very senior positions and what is happening on the mainland, and our costs really are higher.

Mr ROCKLIFF - We have better schemes. With 100-year infrastructure, 95 per cent reliability and a very lean operation - our CEO has dotted every 'i' and crossed every 't' and consulted widely and made changes to ensure that TI, operationally, is a lean but effective machine in terms of constructing irrigation and operating irrigation schemes.

CHAIR - Thank you. Minister, we will not wish you all the best for the festive season because you will be joining us again, but to Samantha, Nicola, Luke and Ashley, thank you very much. We appreciate your time this morning. It is an important process for the Parliament. We do our homework as you can see.

Ms MORRIS - Thank you.

CHAIR - We will suspend for a cup of tea. Please join us if you have time.

The committee suspended at 10.21 a.m.