

# UNCORRECTED PROOF ISSUE

Wednesday 29 June 2011 - Estimates Committee A (Green) - Part 1

## LEGISLATIVE COUNCIL

### ESTIMATES COMMITTEE A

Wednesday 29 June 2011

#### MEMBERS

Mrs Armitage  
Ms Forrest  
Mr Hall (Chair)  
Mr Harriss  
Mr Mulder  
Mr Wilkinson

#### SUBSTITUTE MEMBERS

#### IN ATTENDANCE

**Hon. Bryan Green MP**, Minister for Primary Industries and Water, Minister for Energy and Resources, Minister for Local Government, Minister for Planning, Minister for Racing

#### **Department of Primary Industries, Parks, Water and Environment**

**Kim Evans**, Secretary

**Michele Moseley**, Deputy Secretary

**John Whittington**, Deputy Secretary

**Robert Cockerell**, General Manager (Corporate Services)

**Wes Ford**, General Manager (Primary Industries)

**Alistair Scott**, General Manager (Resource Management and Conservation)

**Kate Kent**, General Manager (Information & Land Services)

**Rod Andrewartha**, General Manager (Biosecurity and Product Integrity)

**John Diggle**, Director (Inland Fisheries Service)

#### **Department of Infrastructure, Energy and Resources**

**Norm McIlfattrick**, Secretary

**Bob Rutherford**, Deputy Secretary

**Amanda Russell**, General Manager Corporate Services

**Tony Murray**, General Manager, Racing Services Tasmania

**Steve Long**, Manager, Resource Management  
**Tony Murray**, General Manager, Racing Services Tasmania  
**Michael Leonard**, Director, Major Infrastructure Projects  
**Tony van de Vusse**, Director, Energy Planning and Conservation  
**Andrew Blakesley**, Director, Forest Policy  
**Graham Wilkinson**, Chief Forest Practices Officer  
**Tom Fisk**, Chief Executive Officer

**Department of Justice**

**Lisa Hutton**, Secretary  
**Michael Stevens**, Deputy Secretary  
**Chris Jacoora**, Department Liaison Officer  
**Peter Fischer**, State Planning Adviser  
**Peter Poulet**, State Architect  
**Hadley Sydes**, Chief Executive Officer, Sullivans Cove Waterfront Authority

**Warrick Coverdale**, Valuer General

**Local Government Office**

**Mathew Healey**, Director, Local Government Office  
**Greg Brown**, Director, Partnership Agreements

**Ministerial Staff**

**Gary Swain**, Head of Office  
**Karen Vadasz**, Senior Adviser  
**Pam Voss**, Adviser  
**Cheryle Hislop**, Adviser  
**Alison Turner**, Adviser  
**Erin Mahoney**, Adviser  
**Christopher Warr**, Adviser

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

**CHAIR** (Mr Hall) - Welcome, Minister.

**Mr GREEN** - The Primary Industries and Water portfolio responsibilities cover information and land services, with the exception of crown land, of course; agriculture; biosecurity; weed management; water resources; marine and inland fisheries. I would like to congratulate my colleagues in the Department of Primary Industries, Parks, Water and the Environment on their achievements over the past year, and the continuation of this work, and of course the fact that they have in the past and continue to face up to some very tough and challenging budgetary circumstances.

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The work undertaken within the portfolio highlights the Government's strong focus on protecting and growing the value of Tasmania's primary industries. Continuing support for biosecurity and product integrity is central to maintaining our relative pest- and disease-free status. Research, development and extension is critical to the reputation of our primary industries, as the work that is done is at the front line to grow the sector. This is why we have maintained funding for the Tasmanian Institute of Agricultural Research at \$4.9 million per year, and have committed to supporting the Institute of Marine and Antarctic Studies with \$2.6 million annually. The level of water infrastructure expenditure in the portfolio in 2011-12 is \$59.9 million, and the Wealth from Water program will continue through 2011-12 with an \$850 000 extension to the pilot currently underway in the Meander Valley. The portfolio continues to contribute to the security of land tenure in Tasmania and provides ready access to accurate and meaningful land resource information.

Further, we see efficient delivery of government services throughout the State via the Service Tasmania shop network. This is important work for Tasmania and Tasmanians, and I look forward to expanding on the portfolio's contribution to our State as we move through the output groups.

**CHAIR** - Thank you, Minister.

### **DIVISION 10**

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

**CHAIR** - Can you provide some details on the impact of the savings strategies on the department? Secondly what is the total amount of savings broken down over the forward Estimates?

**Mr GREEN** - I think in the first place it is fair to say that this department has been on a path of making significant savings for some time now, and in a budgetary context the focus has been on the larger portfolio areas to achieve the bulk of the saving. But I guess necessarily the discipline that has been established within the department over recent years has led us to a position where the savings that we have been asked to make, it has been put to me, can be made in a structured way to minimise any impact on services overall. I might get Kim to outline it further because, as I have just indicated, the department is required to make new budget savings of \$7.15 million in 2011-12, of which \$4 million is sourced from this portfolio. The budget saving is from the revenue strategy of increasing Land Titles Office dealings through the end of the 10-year exemption on the Fee Units Act 1997, and this will provide an estimated \$4 million per annum. So we are in pretty good shape, but it does not mean that we are not working through a whole range of other budgetary measures that have been in existence for some time, and I will let the secretary expand on that.

**CHAIR** - While Mr Evans is answering he might also mention how many staff will be lost this year and just what the current levels are compared with present and going forward.

**Mr EVANS** - As the minister mentioned, in the Budget itself we have to save \$7.15 million and those savings will be achieved without any staff losses of any significance at all, principally because we have been able to identify some revenue raising opportunities, and the other reductions will not have any staffing impacts.

**CHAIR** - The revenue raising opportunities, what are they?

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**Mr GREEN** - By regulation there was a 10-year moratorium on fees and charges with respect to land titles, so it is in the land titles area, mainly around buying houses.

**Mr WILKINSON** - Can I ask what it is with land titles you are increasing?

**Mr GREEN** - The 10-year moratorium exists up until 30 June this year.

**Mr EVANS** - When the fees were established by legislation they were exempted for a 10-year period from the application of the Fee Units Act

**Mr WILKINSON** - Are these fees for searching?

**Mr EVANS** - Yes.

**Mr GREEN** - We deemed it as an area that was going to have a little impact on cost of living but in relevant terms it was important from our point of view.

**Ms FORREST** - [inaudible] suggesting an additional \$4 million each year in the forward Estimates. So how much of an increase are we looking at for a title search then?

**Mr EVANS** - We have all of the details of the all of the fees and there a lot of them

**CHAIR** - It might be handy to have those tabled.

**Mr EVANS** - With the exemption coming to its end on 30 June, the Fee Units Act applies and the Fee Units Act multiplier is 1.4. So in broad terms the fees increase by about 40 per cent but they still go from the relatively small numbers in the scheme of buying and selling a house. They only impact at the point of buying and selling a property.

**Mr WILKINSON** - Don't they impact at all on any search, though?

**Mr EVANS** - Yes.

**Mr WILKINSON** - So it does not have to be a purchase of a house; it can just the search in relation to that.

**Mr EVANS** - Yes, dealings in terms of the house.

**Ms FORREST** - People don't always search just when they are going to buy a house. You might want to determine who the owner of the property is, so will the fee kick in then?

**Mr EVANS** - Yes.

**Ms FORREST** - For example, recently, and the minister would be aware of this I am sure, the Queens St group in Burnie have had issues with the flow of traffic. The council facilitated the meeting but the council notified all the residents in Queens Street and they did it through accessing the list. So that would be significant when you look at how many people you would have to search for in that case; there could be significant increase. So it will be interesting to see the actual quantum of that increase.

**Mr EVANS** - Going back to the cost savings question, that deals with the new Budget savings identified in the Budget itself, but the point that the Minister made was that we are still managing to deal with the budget savings from previous financial years as a result of the budget management strategies at the time the GFC happened. We have also been required to make a very significant saving with the creation of this department when the old DPIW and DEFR were created. The Government applied an efficiency amalgamation of about \$3.5 million as a consequence of the efficiencies in bringing the two organisations together. We have got additional costs in terms of staffing wages through the State Service wage agreement requirement to make an increased contribution towards superannuation costs. We are still working our way through how we deal with those underlying pressures on the agency and we have been doing that for a couple of years. I would say that to date we have been very successful in managing our budget through those reductions. We have managed to balance our budget every year since the global financial crisis and we will do so again this year. But there are pressures on us underneath the budget cuts that we still have to work our way through and there will be some staffing reductions as a consequence of those.

The way that we have tackled those staffing reductions to date have been principally through things like vacancy control, natural attrition and we have some voluntary redundancies. Those measures will continue into the next financial year.

**CHAIR** - That was my next question. You have just answered that. So your head count will actually will drop this year, and by how much?

**Mr EVANS** - I do not have a precise figure but indicatively we think it could be in the order of 50-60 staff across the agency.

**CHAIR** - Any of those coming out of frontline operational areas, for example water or in a regulatory role out in the field?

**Mr EVANS** - We are still working our way through those but we have been really mindful to date to ensure that we make the savings with as least impact to service delivery as possible. So if a frontline position that is critical to service delivery becomes vacant then sometimes we would not go out and advertise it but we would find other ways of filling that role through redeployment or what have you. In some cases we have simply got to advertise.

We make a judgement based on which individual position becomes vacant and in some cases we have to make some decisions to reduce services in some areas, but we do that mindful of the impact on frontline service delivery. We have been able to minimise those impacts fairly successfully to date.

**CHAIR** - Minister, if you look at the whole pie chart of the State budget and you look at education and health, and I know that is what people always talk about, but agriculture is only a tiny little slither

**Mr GREEN** - Don't go talking us down, Chair.

*Laughter.*

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**CHAIR** - I am saying what an important part of the economy it is and I look at that little slither there.

**Mr WILKINSON** - I understand already there have been people put in for redundancies over the last couple of months; is that correct?

**Mr GREEN** - Yes, and the renewal.

**Mr WILKINSON** - Have you got any numbers?

**Mr EVANS** - Yes, we do. Most of our voluntary targeted separation packages were paid out two years ago. We only had a handful last financial year. They do cost us a fair bit of money so we are very conscious of that when we do proceed with one. In the last financial year we have only had a handful and we have not been able to find the resources to fund those. In 2008-09 we had 81. Last financial year we had a handful. That 81 was including 2008-09, of which only a handful were in the last 12 months.

**Mr WILKINSON** - The 2008-09 was as a result of the GFC and the issues there.

**Mr EVANS** - Yes.

**Mr GREEN** - There was a focus on us then.

**Mr EVANS** - I would add that at that point we were creating the new department so we were bringing two organisations together of DEFR and DPIW. We had two corporate services and in simple terms we had two finance managers, two HR managers and two of a lot of things. So to make the savings necessary in those circumstances it relied on using VTSs to achieve some of those savings. In a lot of other cases we were able to redeploy staff, and in some other cases we used natural attrition.

**Mr WILKINSON** - It seems to me that when the pressure is on, people start to consider whether it is time for retirement, whether they come back part-time, or whatever it might be. In speaking with a couple of people from within the area, they are saying that as a result of what has been going on over the last few months with budget cuts, they are considering putting their hand up - and I do not know whether they have already spoken with you already - but it seems when the pressure is on, more people are willing to come forward and say, 'Okay, I think I'll draw the blinds'. Is that right?

**Mr EVANS** - I think that is probably true, particularly with the Government's new program around the renewal incentive program, which is about encouraging people to take early retirement and giving them a small payment to take up that option. We have run a program in the department, which closed on 17 June, where we have invited staff to nominate if they want to take up that option of early retirement. We are working through those applications at the moment. There were about 28 staff expressing an interest in taking that option up - I could not tell you how many of the 28 will be offered or how many will be accepted at the end of the day, but there will be a number who will opt to take early retirement.

**Mr WILKINSON** - So that is obviously going to be a saving as well, but maybe not a saving at the front end because you would have to pay money for them to take that early retirement.

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**Mr EVANS** - They are relatively small costs, it is a maximum of \$20 000 for the incentive payment. It is not a redundancy program; it is about a renewal program, so we do not make the positions redundant. It is an opportunity to look at how we might fulfil a function in the future. So if someone is in the tail-end of their career and has made their way up to a high salary, we might be able to redesign the job or undertake the service differently. In some cases we might place them at the bottom with a graduate. It is about renewal, rather than making positions redundant. There will be some savings, but they would not be as great as if we were running a redundancy program.

**Mr WILKINSON** - Thank you.

**Ms FORREST** - That process would be the same as the one that the Premier/Treasurer mentioned, in whatever area she covered it in - the step-through process of the three-month period and then the offer of voluntary redundancy, or are you talking about a separate process here?

**Mr EVANS** - It is a separate process. There is a whole range of different options for how we are managing staffing within agencies. One of those options is the renewal program, so we have run that as a discrete exercise at the moment within the agency. I think what the Premier was talking about was the situation where, if we have a surplus position and we declare the position surplus and we have to actively redeploy the person in that position into another position within the agency through our internal vacancy control or, if not successful, then at a whole-of-government level, before we would declare that person surplus.

**Ms FORREST** - The Premier was then talking a bit about the people seeking voluntary redundancy - the incentivisation scheme, as in the Education Department last year or the year before - has that been done away with now? Are they going through this other process now?

[9.15 a.m.]

**Mr EVANS** - It is still in our armoury, so to speak, and that is the program that we have recently run and closed on 17 June.

**Ms FORREST** - So it is closed now?

**Mr EVANS** - Yes. In our agency it is closed. Some other agencies have chosen not to use it at all; other agencies have been a similar thing to ourselves.

**Ms FORREST** - Would you agree then that the risk is that you could lose good people you really would not want to lose?

**Mr EVANS** - It is a risk but the way it works is we ask staff to consider their options and if they want to go down that path to apply; then we have a process of considering each individual application on its merits. We have to develop a business case for how we deal with those functions. We are not obligated to accept an application and just because you have expressed an interest does not mean that you are obligated to accept an offer.

**CHAIR** - Any more questions on staffing and redundancies?

**Mr GREEN** - Do you want the total head count?

**CHAIR** - Yes please.

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**Mr GREEN** - As at May 2011 DPIPWE employed 1 364.73 full time equivalents - FTEs - and 77.98 FTEs on leave without pay or secondment or transfer from another agency, plus 31.98 FTEs in Inland Fishery Service and Rivers and Water Supply Commission to a total of 1 474.69 FTEs. Of the 1 364 FTEs employed, 1 032.81 FTEs are funded from the Consolidated Fund with the remaining balance of 331.92 FTEs funded from Commonwealth and industry funds and retained user charges. There is some information with respect to the numbers beyond that but most of that is around the Parks portfolio so that is probably not worth me going into that here.

**Ms FORREST** - Regarding the agency savings strategies, I know that over the forward Estimates you are required to save in 2013 it is \$6.4 million; in 2013-14 it is \$5.9 million; and \$5.9 million in 2014-15. You said you have been able to basically avoiding cutting staff to achieve the savings to this point for this year. How are you going to achieve the savings into the future? Page 4.6 on budget paper 1.

**Mr EVANS** - Into the future?

**Ms FORREST** - Yes.

**Mr EVANS** - It is a continuation of the same decisions. So in this current year, \$4 million comes from the land titles fee increases and they continue into the out years. Another example is that we have identified \$1 million worth of asset sales through the Parks and Wildlife Service - surplus assets. We have some surplus land, some houses and we have been able to identify about \$1 million worth of savings we can make there. Half a million dollars next year is a continuation of that program so it is really the full year effect or the forward year effects of each of those agreed savings measures.

**Ms FORREST** - Thank you.

**CHAIR** - Mr Evans talked about he met some of your savings targets. How did you go with the savings required by the mid-year financial report? Were they all met?

**Mr GREEN** - Yes.

**CHAIR** - Are there any outstanding issues from the portfolio point of view?

**Mr GREEN** - With respect to the midyear financial -

**CHAIR** - Yes.

**Mr GREEN** - Not that I am aware of.

**CHAIR** - There were savings required by that midyear financial report.

**Mr GREEN** - We were not really affected.

**CHAIR** - You were not affected? Okay.

**Ms FORREST** - They picked on other people in the midyears.



**Mr GREEN** - Yes.

**Mr MULDER** - I have some questions in relation to staffing numbers, Minister. You just gave us the overview numbers. Can we have some idea about how that is spread out in terms of on the ground people versus policy and managerial positions, and perhaps a good hard look at the SES numbers that you have?

**Mr GREEN** - I will go through the SES numbers straight up, if you like: SES 1, 15 and there were 14 in the previous year; SES 2, six, and that is consistent; SES 3, four and last year there were five. We have no SES 4 positions. We have one prescribed officer and there is one, and one head of agency. The total number of positions is 27, and that figure is consistent with the year before.

**Mr EVANS** - We did drop our SES by about four positions from the previous year as part of the budget management savings.

**Mr MULDER** - I guess with your program there are a fair few positions there. You might have dropped a few already but going forward, losing some at the top end of the tree is normally about as effective as losing two out of the bottom. I am just wondering how your program is going and whether you are actually looking at not only SES but the high-level management areas and some of the policy people in terms of that, or are you simply focusing on the bottom of the tree?

**Mr GREEN** - From a principle point of view we are focusing on making sure that we deliver services to the maximum, so our focus is on service delivery, and we are trying to restructure ourselves around that. That is the process by which we are going about our business, and the great thing about this Budget process has been that it has been a much more open process than normal. We have had the opportunity to have input into the preparation of the Budget, and we have been able to think our way through all of the issues that have confronted us. Of course, since becoming minister - I came in at the end of a period where there had been some fairly tough decisions made within the portfolio as to how to meet the budget challenges as a result of the global financial crisis. So that open process allowed us to think about how the department was going to go forward, and effectively we made a decision to look at all options outside any reduction of services. On that basis, the SES levels and the other policy and management positions that exist have been considered completely in that context, so it should be lean and mean from the point of view of providing the support.

**Mr MULDER** - I am sure they are mean. I am questioning the leanness though. From the perspective of what you are saying, with your focus on service delivery, any further separations - and we realise there may not be that much capacity - the sights are certainly targeted, you are saying, to the top of the tree rather than to the bottom of the tree, or how else do you protect services?

**Mr GREEN** - That is right, or you restructure or you think about more efficient service delivery. We have been fortunate, say, in the biosecurity area that while we have not had any huge increase we have not had any cuts either, so we are in a position where we can go forward with some certainty, maybe do some restructuring but at the same time provide the service that we have set out. We could all do with more money, there is no doubt about that. Every department would argue the same, obviously, but that is the cloth we have so it is a matter of cutting it.

[9.30 a.m.]

**Mr MULDER** - I also note that you have not quite met the Premier's standard, you have not completely filled the gallery with advisers during the Estimates time. So you have some spare capacity.

**Mr GREEN** - It is one of those situations where these are all departmental people. They are people who are here who would normally be doing their job, but they have to be here just in case you ask me a question that we need some specific advice about.

**Mr MULDER** - A question you do not know the answer to, you mean.

**Mr GREEN** - No, not necessarily, but it is just technical.

**CHAIR** - It is the old police commander coming back out again.

**Mr GREEN** - I am waiting for him to turn the light around into my eyes.

**Mr MULDER** - Twice in one week, surely not.

**CHAIR** - In regard, Minister, to consultancies: how much has been spent on consultancies and can you provide a list, and are they locals or not, Tasmanian consultants?

**Mr GREEN** - Yes, we can provide a list to you. Between 2010 and 20 May 2011 the department entered into 16 contractual agreements in excess of \$50 000 to a combined value of around \$3.4 million. Fifteen of the contracts were awarded to Tasmanian suppliers with a combined value of \$3.3 million. Between 1 July 2010 and May 2011 the department entered into four consultant agreements in excess of \$50 000 to a combined value of \$522 000. One of the consultancies was awarded to a Tasmanian-based consultant with a contract value of around \$70 000.

Between 2010 and 2011 the department made payments to consultants of approximately \$1 million. Payments to Tasmanian-based consultancies were approximately \$840 000. They are the ones that are under \$50 000.

**CHAIR** - Thank you. That gives a scope of what those consultancies were for.

**Mr GREEN** - If you want to have a look at those and ask specific questions about them that is up to you.

**CHAIR** - It gives a description of the contract, so that probably covers it off. In terms of communication and advertising costs, how much was spent last year on advertising and communications? Do you have a breakdown on that please?

**Mr GREEN** - I can go through mobile phones and that sort of thing, is that what you are after with respect to communications?

**CHAIR** - No, more PR-type costs, advertising and that sort of thing, not the mobile phones so much. 'Marketing' was the word I was looking for.

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**Mr GREEN** - The Government, as part of the Budget process, imposed a 30 per cent reduction in government advertising commencing 2009-10. The department has continued to meet this commitment. Prior to the cost-saving efforts in 2008-09, expenditure through recurrent appropriation up to April was \$358 054. For the same period up to 30 April in this financial year expenditure through recurrent appropriation was \$218 448.

I will just run through the breakdown of the major expenditure with respect to that: White Pages listings \$94 000; Agfest \$40 000; Agricultural shows \$2 000; *Tas Regions* \$85 000.

**CHAIR** - Are you going to be at Agfest this year?

**Ms FORREST** - Yes, are you?

**Mr GREEN** - This year again? Yes.

**Ms FORREST** - The Premier informed us the whole-of-government one is not going to be there.

**Mr GREEN** - That is right, but I think we will be there.

**CHAIR** - You will still be there.

**Mr GREEN** - Yes.

**CHAIR** - That is good to hear.

**Ms FORREST** - Do you have figures relating to the amount of travel and also the savings in that area?

**Mr GREEN** - We have domestic travel. As part of the budget strategy there was a 30 per cent reduction in travel. As at 30 April 2011 travel expenditure from appropriation for intrastate and interstate travel and accommodation was \$1.15 million. This represents a significant reduction of 22.6 per cent when compared to April 2009 of \$1.48 million.

**CHAIR** - Minister, just another couple of matters there. In regard to the proposed carbon tax, has any assessment been done within the department at this stage on what the impact might be? Or is it too hypothetical at this stage?

**Mr EVANS** - Too hypothetical.

**Mr GREEN** - No.

**Mr GREEN** - Do you want overseas travel?

**CHAIR** - Indeed.

**Mr GREEN** - Significant benefits can be achieved for Tasmania and the departmental staff participating in operational activities, meetings and research conducted at overseas locations. Departmental staff have undertaken important operational work overseas as well as bringing back new skills, knowledge, networks from engagements with experts in the field. Overseas travel was

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substantially reduced in 2010-11 following the Government's announced reduction targets in travel in 2008-09. A total of 46 departmental staff travelled or obtained ministerial approval to travel overseas in 2010-11. Countries visited by staff in 2010-11 included New Zealand, the United States, Chile, Singapore, United Arab Emirates and China.

All staff are required to provide formal travel reports on their return in accordance with the whole-of-government procedures. As at 30 April 2011 the department's expenditure on overseas travel was \$59 147 compared with the total cost to the department in 2008-09 of \$182 372. These figures exclude costs met by external parties or by major projects not funded by Consolidated Revenue. I am often surprised to find the number of travel authorities that I sign off on where the other parties are not paying - particularly the United States - to have product checked and procedures checked so that they can export around the world.

**Ms FORREST** - What was the purpose of the travel to the United Arab Emirates?

**Mr GREEN** - I have that there.

**Ms FORREST** - A dry place there, I thought, after water advice, were you?

**Mr EVANS** - What happens is that our quarantine staff are both Quarantine Tasmania and AQIS staff. So they do a lot of work on behalf of AQIS, which is funded by the country that is involved in the importation. The UAE travel involved some pre-clearance of military personnel equipment through AQIS.

**Ms FORREST** - So it was not really relevant to Tasmania as such.

**Mr EVANS** - That specific example was not directly relevant to Tasmania and we did not pay any of the costs associated with that.

**Ms FORREST** - The costs that you attribute to overseas travel also include travel funded by others. It includes the locations of where people went to.

**Mr EVANS** - Yes.

**Mr HARRISS** - In addition to that, is there any ministerial or departmental policy with regard to executive class or first class travel as opposed to economy?

**Mr GREEN** - There is a whole-of-government position. From a ministerial point of view I think that it is dependant on the distance you are travelling. Any interstate travel, other than Perth or Darwin, is all economy class, is it not? Over three hours, I am told.

**Mr HARRISS** - So for anything over three hours, there is an acceptance that executive class travel would be taken up.

**Mr GREEN** - I think that is the case in ministerial, but I recently flew to Perth with Norm McIlpatrick, and I do not know whether I was booked because there were no other seats or whatever but I was in business class and Norm was in economy class.

**Mr HARRISS** - He might have given up his seat for you.

**Mr GREEN** - He might have. But I am not sure about this department. Michele Moseley might want to comment.

**Ms MOSELEY** - A lot of the travel that you will see on here is for quarantine clearance, as the minister says. You will not that some of the amounts are quite large. That is because AQIS, the Commonwealth requires our staff who are travelling overseas on their behalf to travel business class. That is why you will see quite large numbers there, funded by the Commonwealth.

**Ms FORREST** - Yes, it is not funded by the State though.

**Ms MOSELEY** - It is not funded by the State, but they do travel business class.

**Mr EVANS** - The travel that is funded by the State is all in accordance with the whole-of-government policy on travel, unless we choose to fly at a lower level on that. For example, I am entitled to fly business class, but if I am flying between here and Melbourne I fly economy. It is an hour. So, for short hauls we look at every opportunity to save money where we can.

**Mr GREEN** - I flew to Melbourne, Sydney recently, Brisbane; that was all economy. It does not worry me anyway really.

**Mr WILKINSON** - Well, truth be known, if it were your own money that is how you would travel, is it not?

**Mr GREEN** - Yes, that is exactly right.

**Mr WILKINSON** - It would seem to me that if you travel business or go up the front of the plane to some degree, that would only really apply if you were having to be at work the following morning and be at your best. Other than that I cannot really see a reason why you should go up the front, because if it were your own money you would not spend it.

**Mr GREEN** - That is right. Most of the time on those ministerial councils you have a meeting that night, so when it was Perth we had a meeting that night and most of the decisions are made that night as well as opposed to in preparation for the next meeting. But I guess it is one of those situations where it does not matter what you do, even getting on a plane. But it was interesting, I got onto a Virgin plane when we were flying over to Melbourne the other day and I was near the back, and as I was getting into my seat there was a bloke at the back who said, 'My God, the Government must be going bad'. I said, 'No mate, this is how we always travel'.

**Mr WILKINSON** - When they put you in baggage that is when you can say 'Yes'.

*Laughter.*

**Mr HARRISS** - They should have asked him for his interpretation.

**Ms FORREST** - You fly with Rex and you always fly economy. And you can get home from the mainland when the ash cloud is about as well, so there are several benefits.

**Mr GREEN** - Did Rex put on extra flights in the end?

**Ms FORREST** - No, I do not think they did.

**Mr GREEN** - You would have thought it was a big opportunity.

**CHAIR** - Relevance. We might be getting off the subject here.

**Ms FORREST** - They were very heavily booked though.

**CHAIR** - If we could just go back, minister, to the question I asked before about the proposed carbon tax. You will have been following, surely, that in the Federal sphere your colleagues would have been doing some work on that issue, because it could have some huge implications for agriculture.

**Mr GREEN** - Oh, I see what you mean. I thought you were talking about it specifically for what we were talking about in the context of how the department is run -

**CHAIR** - No, I am talking about the big picture about the -

**Mr GREEN** - whether it is going to have an impact on how much it costs for energy and stuff like that.

**CHAIR** - No. The Gillard proposal and the whole debate that is going on in Canberra at the moment. They are going to have some huge ramifications on agriculture, whether they are good, bad or indifferent. I do not know and a lot of other people do not know either. I just need to clarify that if I could, please.

**Mr GREEN** - There is a lot of work going on across a whole range of areas in relation to climate change, from the Climate Change Office right through to work that has been done in agriculture generally.

[9.45 a.m.]

Of course as you are well aware, Chair, I am sure, that we did a lot of work in consultation, or TIAR on our behalf did an enormous amount of work, to allow us to understand what the future might hold for Tasmania from a climate change perspective. This is outside the actual carbon sequestration debate or the ability to store carbon in soils or trees or anywhere else. There has been a lot of work going on in that area.

I am aware that, for example, under the TIAR project there has been a lot of work going on with respect to the storage of carbon in soil. As I have just indicated, from a climate change point of view, I have actually asked the Climate Change Office to do some work for us in and around the discussions we are having about forestry, as to the potential value of trees from a carbon perspective and the ability to provide a cash flow to Tasmania to manage our reserves.

Of course there is very strict criteria around the potential of those forests to yield revenue to the State. That criteria basically comes down to that they have to be under threat. That is why it is important that any discussions about reserves in Tasmania take that into consideration. I have met with a number of organisations, but certainly most recently an organisation with a number of facets that have allowed me to understand to a greater degree the actual value of carbon.

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If you look at New Zealand they have already made some significant moves in this area. In fact some Australians are actually doing deals with New Zealand around carbon and trees, from a plantation point of view, in New Zealand.

**CHAIR** - You would be aware of the committee report we handed down yesterday and we had a lot of evidence on that. There was a lot of conflicting evidence might I say.

**Mr GREEN** - Yes I know but it is the old story. If you are looking at carbon now, given that there has been no formal decision, or no decision made with respect to a carbon tax and what that might involve, and a trading scheme in place at an international level.

There is a trading scheme that operates now - in Europe it is commonplace apparently. Conflicting evidence, agreed, but in the end if the values that these particular companies were putting on carbon holds true, potentially the earnings are very significant. Certainly above what would be required to manage areas.

Now I am not saying that we do not need to take into consideration the ability for us to generate revenue on a sustainable basis from a forest industry - given that it turns over \$600 million a year in the State - weighed against an amount that might be protected in the future. But it is a consideration, if you are facing up to potential conservation outcomes around trees and, as I have indicated, making sure that there are no triggers pulled that undermine your ability to actually achieve for the State in that area.

**CHAIR** - We have moved a little bit away from agriculture onto forestry.

**Mr GREEN** - Well that is an area. Obviously there is \$500 000 per annum to support the Climate Change Adaptation Unit and the allocation of \$250 000 for a one-off study into forest carbon which is part of what I have just discussed. Have we got anything else on carbon other than that within the department?

**Mr EVANS** - Not specifically. We work closely with TIAR and with the Climate Change Office as you have already outlined so the work is led through those organisations.

**CHAIR** - And it is a moving feast I suppose.

**Mr GREEN** - It is, but as I said to you the encouraging thing from my point of view on the work that was done on climate futures. I am not sure if we have the document here - we can get it later on and table it. I am not sure if you have seen the document, Chair, but it was really interesting from the point of view of what agriculture might look like in Tasmania in 100 years time. You would be interested to know that the Meander Dam, for example, given it yields almost 100 per cent now, will continue to be yielding 100 per cent in 100 years time, because of the catchment. Even though the rain patterns might change to a degree that will still be a very, very viable system. As I said to Kim Booth, while he is looking at the lid and I will be looking at the lid as well, he can rest assured even though he did not want it in the first place, in 100 years time it will still ticking away very nicely thank you very much.

**CHAIR** - In regard to power prices - a lot of agriculture with expanded irrigation developments and proposals and everything else - power prices are of great concern. I think I asked the question whether or not the Government might make a submission to the regulator to try to cap some of those prices under certain tariffs. I have not written them down here, I forgot to

bring them with me, but is that something that you might contemplate? It is a very significant cost. I know its another area.

**Mr GREEN** - It is another area and I think we had Aurora last year in the upper House did we not?

**Ms FORREST** - We did.

**Mr GREEN** - I am aware of that. I have discussed with Aurora the fact that I do not want any impediments to irrigation development going ahead in Tasmania because I see it as being vital. Having said that, it would be fair to say that they are considering their position with respect to the amount of money it costs to get infrastructure to remote areas for pumps. There is a cost to it. It is not something that I can give a guarantee on, but it is an issue that we are going to have to face up to. Our expectation is as a community, particularly around the cost of living, that subsidising particular areas is potentially a political bombshell both ways. It is just something we need to think our way through.

**CHAIR** - I am talking more about the consumption costs rather than the infrastructure costs getting there. The farmer pays for that anyway. If I put a new pump station in on a dam it is paid for -

**Mr GREEN** - At a reduced cost, if I remember rightly. Remember the discussion we had in the corporate plan about getting power to farms. The policy is the first two spans are free at this stage. With respect to competition, which is obviously important, on 14 July we have the new 50-150 MWh tranche 5 coming in.

**Ms FORREST** - The majority of irrigators already fit into the tranches though, do they not?

**Mr GREEN** - This is for small businesses and I assume farmers would - it effectively would cover everybody now, other than the normal retail customer that there has been a lot of debate about, the mums and dads.

**Ms FORREST** - Yes, but the majority of people using irrigation would already be contestable customers.

**Mr GREEN** - I think the majority probably would be.

**Ms FORREST** - One of the issues - the Chair would probably be across this more than me - I have talked to some farmers who irrigate who say they have to separate out - they cannot put all their irrigation costs into one basket - so they might be contestable on one irrigation setup but not on the other. I think that surely that can looked at. They are the same person operating an agricultural business.

**CHAIR** - Exactly. You might have eight or nine pump installations. However, if you are not over so many megawatt hours on one of those, it is not contestable. None of those might be contestable

**Ms FORREST** - That is right, but in aggregate you would well and truly be a contestable customer. They are things that need to be looked at as far as the industry is concerned.



**Output group 1  
Information and land services**

**1.1 Land titles, survey and mapping services -**

**Mr GREEN** - Chair, I would be happy to table the climate and futures document prepared by the TIAR and others. Very interesting.

**CHAIR** - Thank you.

**Mr HARRISS** - Is there the possibility of any impact on issue of titles with the budget savings measures? I am thinking clearly of time frames. My understanding is that the office has had a pretty good reputation in terms of turnaround.

**Mr GREEN** - As I indicated I think from a service delivery point of view there is no impact so I do not expect that there would be any change but I am more than happy to have Kate expand on that.

**Ms KENT** - In our annual report we set ourselves some targets around turnaround times and early issue. In general, we try and manage within time frames that we set ourselves so the budget saving strategy will not have an impact on those turnaround times.

**Mr HARRISS** - Chair, Kate has just mentioned the early issue product output that you seek. What is some more detail around that early issue scheme which you have in place?

**Ms KENT** - That is about how we try and meet a 10-day turnaround on those plans but it requires people to submit all the information at the time. So they are plans that come from people trying to get things done slightly more urgently where they have time frames that require them to do that. So it does require those people to have a lot of up-front information and then we can factor it in. You can see it under the performance information table.

**Mr HARRISS** - Not bad.

**Ms KENT** - Where we do not quite meet the time frames, we sometimes meet them a few days later, so we have set ourselves quite a hard target that requires a lot of pre-information to be provided. And often it is because we have to go back and get that information from the proponent that we actually meet the time frame a few days later.

**Mr HARRISS** - I can only presume then that in 2009-10 where your actual achievement there was 49 per cent, am I right in presuming that it would have been through lack of information?

**Ms KENT** - It is the pre-information that comes with it that detracts from us meeting that time frame. But as I said, if we do not meet it within the 10 days that we set ourselves, we meet it in about 13-14 days.

**Mr HARRISS** - There is a significant issue, Minister, that has been around for a good few years. It relates to reserved roads on property where the road had actually been constructed in a different location and then all sorts of legal implications arise because of the reserved road still

sitting on the property. Is there any intention to address that? I think we understand that you can adhere or adjust the titles and so on, but there may be significant costs associated with doing so.

[10.00 a.m.]

**Mr GREEN** - Often it is one of those situations where it has no material affect but it worries people that a road or an access point to nowhere could potentially be used and it just happens to be going through the middle of their house or whatever. I understand that as a result of my own constituency and through other people around the State having the same issue. I have to admit at times it is a little frustrating in getting an answer on that. Of course from a crown land point of view, and it is not necessarily my portfolio, but part of the overall view - and this is talking about an overhaul of issues in relation to these sorts of matters - is to address the management of crown land road reserve systems throughout Tasmania. Parliamentary Counsel has provided the first draft of a Reserve Road Amendment Bill for comment. However, this issue is more complex than first thought and needs further review and consultation with key stakeholders. I was unaware of that until just then, to be honest with you, so obviously that work is being undertaken. I agree that that is a very complex area and one that has frustrated a number of people over time, including myself. It is amazing how once you delve back through the various titles and documents that there are even changes in the reserve itself with the position of it and where it comes and goes. It could have been just like a bend in a road that has changed the whole scenario. It is very complex.

**Mr HARRISS** - The follow-on question would then be: given that Parliamentary Counsel has identified some more complexities than would have been first thought of, is there any indication of what those complexities might be or how we can get an answer to that? It is a matter that has been around for years and it does frustrate people. It is not just 'getting concerned', as you said; it is that lawyers get nervous about it all.

**Mr GREEN** - I could not give an answer to that.

**Ms KENT** - It is not with me at the moment but we have been working with Parliamentary Counsel over what we thought were some fairly simple changes and amendments to the Crown Lands Act, that is why we took it out of the Crown Lands Act Review and it has become more complex. In the division it goes across Crown Lands, Land Titles and other sectors, so we are having lots of internal discussions, but we are more than happy to have a briefing at some point to talk about the particular issues that we think might need to be amended in the Act.

**Mr HARRISS** - We might pursue that, Minister - a briefing before the Council if people are interested.

**Ms KENT** - At some point. We have had it in abeyance because other priorities took over, so you might want to press that further.

## **1.2 Valuations services -**

**Ms FORREST** - I notice the increase in the line item here relates to the additional funding to allow valuations to occur on a more regular basis. Valuations always occur in a particular municipality, so those honourable members tend to get a few calls. One matter that has been raised with me with regard to the valuing of rural land that is used for agricultural purposes, some land - particularly on the north-west coast - has a lovely view of Bass Strait and it seems to increase the valuation to a degree that council rates are impacted. The question concerns what process you use to minimise that impact. I know there are some farms that have been bought on

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the north-west coast by people who are reasonably well-off and who can afford to pay top dollar for them, but the farmer who has been there next door for generations suddenly sees the value of his property go up enormously. Is there any smoothing and that sort of thing? Do you take account of the view when it is an agricultural property?

**Mr COVERDALE** - There are a couple of parts to that question and probably one is a valuation issue and one is a rates issue. I will probably deal with the valuation side.

The premise of valuations is a date in time, which we have to assess them as at. Last year it was 1 July 2010. What happens out of that is the sales are analysed and the market in that area for that type of property or class. For agricultural land it is more the production value of that land and you may have a good house site.

The property may have a view, like you are saying, of Bass Strait and that is where the house may be. That may make the property more attractive to some extent if it is a smaller holding, but certainly if it is run as a larger holding what is more important is the soil type and the productivity of that land.

Certainly, we look at the sales to apply to that class of land for rural purposes. So saying a property has a good view it may influence a purchaser to buy that property over another one if you were talking to that purchaser, but at the end of the day if it is a large agricultural property it will come down to what they believe they can make off that land, what they can use it for and what they have got to pay in the market against everyone else who has obviously competing for that land as well. Certainly there are a lot of small holdings out there - 10 to 15 hectares - that view would be more important on and the house or other improvements.

**Ms FORREST** - When you have got a small holding that sold for a significant price beside a large holding that has been there for a very long time, for agricultural use, and you know how hard that can be at times, that is the issue here - that the sale of a small property with a view pushes up the value of the one beside it that is much bigger and has always been used for agricultural purpose. Do you see what I am saying?

**Mr COVERDALE** - I do understand, but I suppose they are different classes of property and we just follow the market in regards to it. The community actually buys the properties. All properties have to fit into the market in some shape or form. Obviously, if the market is increasing for the smaller holdings that may have some impact on the larger holdings and in other cases it won't.

It is not a direct relationship that a small, 15-hectare property next to 200 hectares will automatically make the 200 hectares significantly dearer as well. There are a different class of buyer and property in that. We do not go out to try to compare a 15-hectare property with a 200- or 300-hectare property. Certainly, sales are sourced to compare with the larger properties in the revaluations.

**Ms FORREST** - Again acknowledging that there has been that \$2.5 million additional funding put into your area will that ensure there is not an incapacity for your department to carry out those timely valuations so we do not see these huge, because they are carried out more frequently now than what they were.

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**Mr COVERDALE** - Yes. I suppose this year's budget is \$1.5 million that has been provided, which was the same as last year. \$2.5 million is in the next financial year, so come 1 July there will be the \$1.5 million continuing on.

We are subject to the valuation and rating review which is being undertaken by the Department of Premier and Cabinet, Local Government division, and some of the outcomes of that - and I would like to get to the end of that review as soon as because I have got 10 municipalities that I would be putting to tender in probably October this year in order for them to be undertaken in 2012 to issue in 2013. So really, that review has been going for a while. It has probably focused more on the rating side to date, which has led to the Local Government Amendment Act and some rating provisions which councils are using this year. We need to get to the end of that to understand if the base is going to be the same, or if we will undertake land capital and AAV, which is currently the base. If it reverts to capital, are we going to use contractors, or if we do a land base are we going to bring it in-house and do it two-yearly by staff in-house? So, there are some constraints in getting that review and recommendations completed so that I have a little bit more of a direction on that.

**Ms FORREST** - Is there an expectation when that will be completed? I know it has been on for quite a while.

**Mr COVERDALE** - Certainly before the end of the year, and I am hoping within a few months from 1 July. Out of that I have been working in the background and we have certainly been building some best-practice valuation systems. A lot of GIS systems, which have been showcased at various events, International Property and Taxation Institute meeting et cetera, to get to the best processes and methodologies for Tasmania. In the background some of that money that we have used last year and this year and proposed for next year has gone into and will be going into better methodologies. Certainly technology is one of the big things looking forward in what we are doing. I suppose, too, that we are looking to see whether we will be doing it in-house in the future or whether it will be still with contractors if capital value on potentially AAV exists into the future. So once we get past those points we will certainly be in a better position as to what valuation base will be undertaken. But I am firmly of the view that we do need that shorter cycle and I am working in the background with those funds available to put processes and systems in place no matter what valuation base we end up with to get to that point. It probably just needs to be highlighted as well that the \$1.5 million brings me to a -

**Ms FORREST** - It is adequate. The question is, is it adequate to do the job that you are really trying to achieve here?

**Mr COVERDALE** - When the \$2.5 million kicks in next year, if we were on a land base we would probably do it in-house. If we were on a capital value base we would have to assess that at the time because obviously contractors would be involved.

**Ms FORREST** - You do not really know yet, then. You will not know until the outcome is reviewed.

**Mr COVERDALE** - That is right, and we go under a competitive tender process. This year, if we put up 10 municipalities for tender, the price will come in on those from the competitive tender process. It might be a little bit more or a little bit less than what we are expecting.

**Ms FORREST** - I will ask the question again next year, after the review is out, when we have more idea of where it is headed.

**Mr GREEN** - Yes, that is right.

### **1.3 Service Tasmania -**

**Mr WILKINSON** - In relation to Service Tasmania, how many shops are there at present?

**Mr GREEN** - There are 27.

**Mr WILKINSON** - Has that increased over the past year and, if so, by how many?

**Mr GREEN** - No increase.

**Mr WILKINSON** - And is there any increase intended over the next, say, 12 months or 24 months that you know of?

[10.15 a.m.]

**Mr GREEN** - There is only one relocation at Longford. With respect to the number of shops, I have just been advised that any decisions along those lines are made by the Premier.

**Mr WILKINSON** - Do you know whether there are any requests in at present for certain areas? Kingston put one in a couple of years ago; Sorell a few years before that.

**Ms KENT** - The Service Tasmania Board, which reports to the Premier - there is no consideration at this stage and there have been no major requests to have other shops put in so at this stage we are still just working through the 27.

**Mr WILKINSON** - In relation to the services they provide, have they increased or remained static over the last 12 months?

**CHAIR** - We seem to have a cross-over with the Premier's department. We found this yesterday.

**Ms FORREST** - I think it is odd that it is in both places. It is duplication.

**CHAIR** - Yes, I was trying to work it out why it is.

**Mr EVANS** - The way that it works it that Service Tasmania is a whole-of-government service and hence comes under the control of the Service Tasmania board, which is chaired by DPAC and reports to the Premier. But the operation of the shops is the responsibility of this agency.

**CHAIR** - Okay, I understand.

**Mr GREEN** - Chair, almost 550 separate services are offered over the counter at Service Tasmania shops.

**Mr WILKINSON** - That is 557 now.

**Mr GREEN** - They have been developed over the 13 years of the operation. That has combined into paying government bills, purchasing government information, finding government information, applying

**Mr WILKINSON** - It has increased by 20 over the last couple of years. It was 530. We are looking at 550 now. Are there any intended increases, as far as the services that are provided, under consideration?

**Ms KENT** - That would be in response to other agencies had other services that they want us to deliver because we are acting as the delivery agency for those. So in some cases there may be requests to provide more services because an agency has a new product or service that has to be implemented through the shop. Again, I would not know what was in the pipeline in terms of what other agencies may have in place. The number of transactions has increased.

**Mr WILKINSON** - What I am looking at is

**Mr GREEN** - The number of transactions at Longford is significant. It puts in perspective when you have a reasonable town like Longford that opened in 1998 and in the first year of trading there were 12 650 transactions. The volume of transactions has increased significantly over time to about 30 000 transactions per annum. I was going to add that the Economic Development Plan is, particularly with small businesses, looking at ways to consolidate bill-paying by establishing a portal for all small business transactions and trying to eliminate as much red tape as possible. I am not sure whether Service Tasmania will play a part in that, but we are looking for ways to minimise forms, red tape and all that sort of jazz.

**Mr WILKINSON** - What I am trying to understand is: as a result of the cutbacks that we are having and making sure that we spend our money wisely, are any services that may well have been allowed to go into your Service Tasmania shops in the next 12 months not going in? But the answer would seem to be no.

**Ms KENT** - I would not be able to comment on which services other agencies might be putting through.

**Mr GREEN** - That is fine. I do not think that we are looking to cut

**Mr WILKINSON** - You are not cutting anything in relation to Service Tasmania shops?

**Mr GREEN** - As far as I am aware no.

**Mr WILKINSON** - Thank you.

**Mrs ARMITAGE** - Regarding the northern Service Tasmania shop -

**Mr GREEN** - In Launceston?

**Mrs ARMITAGE** - In Launceston. Would it be true to say that that is one of the busier shops?

**Mr GREEN** - Yes.

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**Ms KENT** - I think it is one of the largest shops in the State.

**Mrs ARMITAGE** - And has one of the longer waiting times?

**Ms KENT** - I probably could not quote the waiting times, but the larger shops do more trade so there are slightly longer waiting times. But they all have to operate on a customer service requirement, in terms of what the turnover is.

**Mrs ARMITAGE** - I believe that there have been requests for there to be a Service Tasmania perhaps located in the northern suburbs, and I notice you were saying there had not been requests for any other stores or for any other shops to be moved. I was of the understanding that there had been requests.

**Ms KENT** - There have been in the past, certainly at these Estimates hearings -

**Mrs ARMITAGE** - No, I am talking about locally.

**Mr KENT** - I cannot comment on what the boards might have received in terms of requests recently.

**Mrs ARMITAGE** - So there are no plans to relocate or to sub-locate?

**Ms KENT** - As far as we are aware, there are no plans to put another shop in, but that is really a question for DPAC, because the board responds to them.

**Mr GREEN** - We are happy to provide more information, if you would like.

**Mrs ARMITAGE** - It would be good to have some statistics on the Launceston shop.

**Mr GREEN** - We can provide statistics on the Launceston shop and whether or not there has been an application for a northern suburbs shop.

**Mrs ARMITAGE** - And what it provides - if you have stats and numbers.

**Ms KENT** - We have stats on all the shops to compare them against the larger shops, like Glenorchy.

**Mrs ARMITAGE** - Yes, compare, to see if it is actually doing substantially a lot more than some of the others.

**Mr GREEN** - Okay.

**Mr WILKINSON** - I know it is a miniscule percentage but when it talks about complaints and customer satisfaction, transactions resulting in formal complaint, can you give me some idea as to what that complaint has been about?

**Ms KENT** - I would not know the specific complaint but I can take it on notice and get those back to you. Customers provide comments, so we keep records of customer comments and obviously respond if there is a particular issue that has not been addressed very quickly. Most

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customers' issues or concerns are addressed through a reasonably quick response and they are happy. In terms of a formal response, again they would be directed to the board if they have had a formal complaint. I do not have those in front of me but I can take it on notice and provide some stats.

**Mr WILKINSON** - Tasmania has been a trailblazer in Service Tasmania shops, has it not? Because of that expertise that has grown up over the years, have we had to give information and consult interstate in relation to setting up of service shops over there?

**Ms KENT** - In the past year we have had visits from the Northern Territory and South Australia. We maintain close links with other States on what they are doing, and their programs, and we are always wanting to ensure that whatever we are offering is best practice but certainly other States still do look to us to see how the model has worked here and how they could utilise something similar.

**Mr WILKINSON** - Do we get paid for that?

**Ms KENT** - I will have to take that on notice, I do not know the answer to that. Again, most of that is done through the Department of Premier and Cabinet, they are the policy unit that administers the model around Service Tasmania.

**Mr WILKINSON** - We are the trailblazers - we were the first, were we not, State to have Service shops similar to these? I know other States have come to Tasmania to find out how to do it, and I was just wondering whether we get paid for the expertise that we give to those other States.

**Ms KENT** - I will take it on notice.

**Ms FORREST** - If not, we charge them.

*Laughter.*

**Mr MULDER** - Minister, I am trying to pick up the issue that was raised by the member for Launceston. I think you might have been lulling her into a false sense of security by not revealing what the criteria are for establishing a Service Tasmania shop. I know a lot of communities have fought long and hard, particularly, I think, on the Eastern Shore it took them something like five years to get a shop there. I think you need to perhaps explain to the member what the criteria are for those shops and maybe give her some likelihood that if those criteria are met, the shops are going to be done. I think that is what -

**Mr GREEN** - Is this for your benefit or hers? She seemed to be satisfied with the answer.

**Mr MULDER** - I am concerned for all people in Tasmania, and in Rumney I have a few issues that I would like to see Service Tasmania shops there, so it is not for my benefit; it is for the benefit of the people that we are here, Minister.

**Mr GREEN** - All right. Of course the secretary reminds me that effectively it is the Premier, but having said that I am more than happy to provide the criteria to this committee via the office. I do not have that with me at the moment but I am more than happy to provide that criteria.



**Mr MULDER** - Thank you.

**Ms FORREST** - Minister did you table the list for the Land Titles?

**Mr GREEN** - I can do that now.

**Ms FORREST** - Yes, we did not actually formally do it, I do not think.

**Mr GREEN** - No you did not. Thanks for reminding me.

**The committee suspended from 10.26 a.m. to 10.44 a.m.**

**Output group  
(Primary industries)**

**2.1 Agriculture industry development services -**

**CHAIR** - The TFGA, in response to the Budget, noted that:

'We are, however, disappointed to see some other important programs dropped including the innovative farming systems program and the Agrifood Skills Pipeline.'

Minister, what is your response to that concern and why have both programs been dropped?

[10.45 a.m.]

**Mr GREEN** - Effectively they have been dropped from the DED budget and not my budget. They are deferred. You are talking about the Skills Pipeline?

**CHAIR** - One was the innovative farming systems program and the Agrifood Skills Pipeline.

**Mr GREEN** - CORS has effectively been deferred and I understand that farmers and the TFGA are frustrated about that. It was a difficult decision to make. Having said that, it was a decision that was based on further information with respect to the ongoing recurrent requirement of the project as well, which was something that we had to take into consideration. Also, the fact that there is quite a bit of interest from the private sector with respect to supplying. I know that a number of farmers have systems in place and the idea of the CORS project was to get in early so it could be co-ordinated as much as possible so we would have a system that was efficient and that people could sign up to with confidence. As it stands at the moment, though, that is likely to be more of a scattergun approach with respect to farmers utilising their own equipment and other providers. I guess that is just something we have to face up to as a result of the tight budget situation we have.

It wasn't just the capital aspect of it, it was the recurrent funding that was becoming a problem. It was \$500 000 a year to actually fund it and that is really what put the nail in the coffin for the immediate future. Technology is changing at an amazing rate, so who knows what it will be like in a couple of year's time.

**CHAIR** - Did TIAR have any input into that at all? Were they involved?

**Ms WILSON** - TIAR are involved in terms of still continuing to do research around precision agriculture and controlled agri-farming.

**CHAIR** - I am aware of that. The TFGA also raise some concerns and the school bit has been probably done to death, but they brought it up in the context of primary and district high schools throughout Tasmania being more than just a place. I am just quoting here:

'Farmers send their kids. They are integral to the community. If you take them away you take away perhaps the very reason that people decide to settle in the country and pursue farming as a career. Local schools are integral to rural communities and businesses that support them.'

Do you accept that local schools are important to local communities and that the closure of these rural schools can have implications for our primary industries? And, what is your response to the TFGA's concern? Particularly when we are talking about an expansion of irrigation schemes and all that sort of thing, and the need to keep those educational institutions in those small communities.

**Mr GREEN** - Obviously it is not my area and what I have said to the previous scrutiny committee is that of course we would be prepared to participate and provide the information that has been provided to us to allow, for example, irrigation development projects to get over the line in specific areas to form part of the discussion and consultation with schools. In other words, I have agreed to hand that information on to Minister McKim for his consideration as part of the overall decision-making process with respect to the schools.

As I understand it, it is not just about trying to save money; it is also about trying to achieve better educational outcomes. There have been arguments put that local government municipalities will be affected badly by this as a result of rates and a whole range of other things, whereas I think the decisions were to ensure, firstly, that we can continue to afford to fund an educational service; secondly, that it is in close proximity to where people live, and thirdly to ensure that people get good educational outcomes as a result.

**CHAIR** - I appreciate that side of the argument but what they are driving at, and what I am asking you too, is that if we get some more of these irrigation schemes up and there is a demand for people, the actual population will be in those districts. Sometimes if the local school goes, then people will say, 'No. I am not going to move to that area; I will go somewhere else instead.' That is part of the issue.

**Mr GREEN** - Yes, I can understand why that argument would be put forward, but I guess if you also take it in context, then we should all be sitting up at that end of the table. It looks a lot more fun - smiling away to yourself up there.

**Ms FORREST** - I am always happy. You know that. The eternal optimist, I am.

**Mr HARRISS** - She is about to pounce though.

**Mr GREEN** - Why I looked up that way was because the member said he was going to Stanley School on Friday because there is a meeting there on Friday. Well, if I can I will be there,

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because I am going to Smithton on Friday, I hope. But I guess the point is that the Stanley School, if you think about it, you have Stanley and then you have Forest on the other side of the highway, and I guess overall it would be probably six or seven kilometres.

**Ms FORREST** - It is nearly 15 minutes. Ten minutes by the time you get up to the junction and then about another five.

**Mr GREEN** - The Forest Primary School, as it is actually called, is a beautiful school, and so is the Stanley School. At the end of the day, you have two schools in such close proximity you would think it would be reasonable under most circumstances to think about how you educate people within that kilometre range. So Irish Town would be a bit different, would it not? What would be the next? Edith Creek, I should say.

**Ms FORREST** - I suggest they all go to Redpa. That should work, because Redpa is nowhere near big enough to take them. I mean, really!

**Mr GREEN** - Anyway, that is obviously the debate we are going to have.

**Ms FORREST** - With respect, Minister, we are getting into education, but if you want to start the fight -

**Mr GREEN** - I knew I would take the smile off your face. It is a complex debate, but I still believe that what we have to do is make sure we are disciplined as a government to achieve the savings that we have to achieve. Why do we have to do that? Well, frankly, in the best interests of Tasmanians going forward.

**CHAIR** - I did not really want to get into the schools debate in the Primary Industries portfolio. Do a little bit of a nexus here, you know.

**Mr GREEN** - You should not have raised it. In relation to irrigation development in, for example, Ringarooma, we are happy to make that business case available so that it can be put in the mix. Of course, our aim is to grow regional and rural Tasmania. We want to provide job opportunities, as they are in the Coal Valley now. I am not sure whether the school down there is more sustainable now than it was when they were just producing a bit of wool and a few lambs. I am sure it probably would be.

**CHAIR** - I am not sure where it is. Have they got one at Colebrook?

**Mr HARRISS** - Nick will tell you. Have a chat with Nick at lunchtime. You are singing from the same sheet now.

**Ms FORREST** - He is going to visit them all. Oh no, he is not, that is right. That has changed.

**CHAIR** - Minister, just further on the TFGA budget submission, they asked for \$3 million over 3 years for development and delivery of irrigation efficiency programs, \$500 000 over 3 years to assist farmers to develop property management plans, \$375 000 over 3 years to establish an industry program for forestry activities on private land, \$375 000 over 3 years to appoint a biosecurity liaison officer to work with farmers to advise and ensure compliance with the numerous biosecurity requirements, vendor declarations and best practice measures, and

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\$500 000 to implement the recommendations of the Alternatives to 1080 report. Can you indicate whether the Government supports those proposals and whether they have been funded, or are they under consideration?

**Mr GREEN** - Well, I guess in the context of what the Premier and Treasurer has said about how we are going to manage the budget going forward, effectively it is back to basics but it is on the basis that we continue to provide the best opportunity we possibly can to provide development opportunity in Tasmania and that is why I am pleased that in fact we will be providing significant funding to make sure that our irrigation development program goes forward.

If you have a look at the TFGA submissions - and as you have indicated it is a fairly long list - it adds up to about \$106 million over three years, which is a significant amount of money. I am not suggesting in any way that they are not all things to do but just at the moment as the budget position stands, we are not in a position to fund a number of those -

**CHAIR** - Sorry, \$106 million?

**Mr GREEN** - That is the advice I have. There are 18 specific proposals in the TFGA submission.

**CHAIR** - Okay. I only read a small part of it, but there is more.

**Mr GREEN** - Yes, in excess of \$106 million over three years. I believe the Government has a good relationship with the TFGA. We work closely with them on a whole range of issues. I have been very appreciative of their support, particularly around getting a number of these water developments over the line going right back to the Meander dam proposal when we relied very heavily on the TFGA to assist us through that process and in going to the community meetings we have been having about the business case and trying to get farmers enthusiastic about the projects that we have got underway now. Mr Gatenby has been extremely good in turning up to those meetings, so I am pleased. I understand they would like a number of those programs to be funded but we are just not in a position to do it now.

**CHAIR** - The ones I pointed out there then make the \$375 000 over three years for forestry activities on private lands; are none of those are being funded? The ones I mentioned were just one to five. Have we got a list of any projects that are being funded this year? That might clarify it, so if we could table those it would help.

**Mr GREEN** - For Forestry, there is an allocation of \$450 million over three years for the establishment of a forestry industry development program. That is obviously part of the - Is that for private forests?

**Ms WILSON** - Not specifically, no.

**CHAIR** - Okay.

**Mr GREEN** - No. So that is across the board. We have got subsidies for water access plans. One of the points you made was with respect to water access plans?

**CHAIR** - Irrigation efficiency programs, actually.

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**Mr GREEN** - Regarding subsidies for water access plans, which enable people to go forward with irrigation programs, we are continuing \$150 000 that was allocated in 2010-11 and \$250 000 and \$100 000 have been allocated in 2011-12 and 2012-13. The 2010-11 budget will include \$1 million for the water initiative line item.

[11. 00 a.m.]

I am advised that we have \$1 million for water initiatives and part of that will be used to subsidise water access plans. From the point of view of TFGA irrigator group assistance: \$120 000 of which \$60 000 was allocated in 2010-11 and the remaining \$60 000 will be allocated in 2011-12. There is the Wealth from Water issue. Is there any other that the Chair mentioned that I have missed?

**CHAIR** - Biosecurity.

**Mr GREEN** - The advice is that we do not have funds to supply a biosecurity liaison officer.

**CHAIR** - There was also \$500 000 to implement the recommendations for the alternatives for 1080 report. You might update us on that one anyway.

**Mr GREEN** - My advice is with respect to 1080.

**CHAIR** - Your Green colleagues have been trying to advance the cause and I was wondering where you were at with that.

**Mr GREEN** - You know that I will do my bit to reduce 1080 in Tasmania.

**Mr HARRISS** - But have they got to you?

**Ms FORREST** - That is because you would shoot them rather than poison them.

**Mr GREEN** - That is right.

**Ms FORREST** - The Chair missed that.

**CHAIR** - There are two diametrically opposed schools of thought on the whole job, as we know, but the issue is the practicalities of it - it is a difficult matter.

**Mr GREEN** - It is, and the program will be funded \$225 000 per annum in 2011-12 and 2012-13. The department has worked closely with stakeholder groups and individual landholders to promote the effective use of alternatives to 1080 and support effective browsing animal management. The four-year, \$4 million Commonwealth-funded alternatives to 1080 program has now concluded and the final report outcomes for the program were released in May. A new browsing animals management program, commencing July 2011 for two years, has been developed to ensure a range of viable options are available to assist land managers in managing browsing animals. As I have indicated, the program will be funded at \$225 000 pr annum for next year and the year after.

I can indicate that 1080 usage levels - and this used to be a big point of debate on an ongoing basis - have dropped off significantly as a result of a whole range of measures that have been put in in recent times. Following concerted efforts by the government over the last decade, 1080 is

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now at very low levels. In 2009-10 only 0.74 kg of 1080 were used for crop protection in Tasmania. This is 24 per cent less than the previous year and compares with levels of usage of over 15 kg in 1990-2000. So we are under a kilogram now compared to 15 kilograms a decade ago.

**CHAIR** - Compared to other jurisdictions, our use levels are still pretty low, particularly New Zealand where they drop it all through their national parks.

**Mr GREEN** - That is right. But we have to face up to the fact that if we use 1080 to manage crop protection against native animals in Tasmania - native animals that have been able to thrive and grow as a result of the changing landscape and all the rest of it - they are still our native animals. In New Zealand they are using it to poison pests, which are our brush-tailed possums, which are not native to New Zealand. So there is a different environmental argument as to why you would want to use a lot of 1080 in New Zealand as opposed to here. Around the rest of Australia most of it is for feral animals, whereas here it is for our native animals. That is the variation with respect to the debate.

**CHAIR** - In regard to ground spraying and the regs, where are we up to with that?

**Mr GREEN** - They are out for consultation. I will deal with them in output group 4.

**CHAIR** - Under biosecurity?

**Mr GREEN** - Yes.

**CHAIR** - Where are we with agricultural research stations, under this line item, just at the moment?

**Mr GREEN** - The Kingston one - and the Secretary can talk about this to a greater extent - we have the lease finishing.

**Mr EVANS** - This is a quarantine station as opposed to research.

**CHAIR** - I am talking about Cressy and Forth.

**Mr GREEN** - The farms? Doing a bit of work at Cressy, I know that.

**Mr EVANS** - Elliott has been transferred and is being managed by TIAR, as is Forthside. We have a different arrangement in place for Cressy, where we have leased that property, but we have access to it for research purposes, and a similar arrangement for Grove.

**CHAIR** - So Grove has been leased as well?

**Mr EVANS** - We have access to the farms. Some have been assigned to the university, but they are being treated as key assets for TIAR, in terms of research development extension because we do not undertake those services anymore.

**CHAIR** - The Budget media release noted funding provided to TIAR. Can you provide an overview of what the research priorities are coming up in this coming year?

**Mr GREEN** - We believe the investment in TIAR has been a very sound one. It has delivered capacity-building opportunities for over 700 farmers attending specific events as well as a range of research outcomes. They participated more recently in that survey where we looked to establish our opportunities with respect to the expansion of the poppy industry, where they considered across the broad spectrum of land available in Tasmania, that it is possible on a proper rotation basis to provide an additional 30 000 hectares to the poppy industry if it is required. There are specific projects around dairy and there is the oyster refrigeration index. Are there any other projects? We worked on the Climate Futures Project, which is a very important one from the point of view of understanding the future.

**Mr EVANS** - Within TIAR we have established a number of research centres. We have a vegetable research centre, an extensive agricultural research centre, a horticultural centre, dairy, a food safety centre - so we have a number of specialist centres. We have an advisory committees set up with a very strong agribusiness farmer representation on those to guide the priorities for each of those centres. The portfolio of research within each of those centres is in response to farmer priorities as well as other opportunities that we might have. We have a list of some of the key achievements and some examples of where the research effort is going in each of those areas, which we would be happy to table.

**CHAIR** - Thank you for that. In terms of increased irrigation areas it is one thing to have the land and water resource available but once again agriculture has to have the products to grow and to be able to sell, and that is a very important factor. So are you doing any work in terms of market research at all?

**Mr GREEN** - We are certainly doing the pilot program in your area to understand the capacities, elevations, weighing information against climate change data, so what we might be able to produce in the future will give a guide to potential investors as to what they can grow in Tasmania now and what they will be able to grow in the future. The important point from our point of view is to make sure we provide that surety of water with these projects so that investment decisions can be made in the sound knowledge that they will be able to get their crops through. There had been various suggestions about marketing through the TIDB with Tas Irrigation, but I think it is pretty well understood that Tasmania is in quite a unique and good position here in developing irrigation compared to other States.

**CHAIR** - Yes, I understand that, but at the end of the day you have to be able to have a product to grow -

**Mr GREEN** - That is it.

**CHAIR** - that you can sell to make the whole job work.

**Mr EVANS** - It is an integral part of the Wealth from Water program, but it is not delivered by this organisation. It is delivered through DED. Wealth from Water is a partnership program between DED, Primary Industry and TIAR. Our area of responsibility, as well as the overall project management, is around soil, microclimate mapping, those sorts of technical aspects. TIAR have the research and development and the experts who can provide advice on what you can grow within various soils and microclimates according to the mapping, and also some extension role, and DED are responsible for the market development aspects of the work.

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**Mr GREEN** - Obviously the Wealth from Water project overall has been curtailed to a degree, but it is remaining at a pilot phase. As part of the pilot we will survey an additional 50 000 hectares that will bring 50 000 hectares of midlands into the Meander project effectively, which will give a guide to midlands farmers as well.

**CHAIR** - Just very quickly with regard to GE.

**Mr GREEN** - They have the pressure on you up there, have they?

**CHAIR** - No, no, not at all. It might fall under biosecurity or not. Ms Forrest and I were both on the joint House committee when we looked at that. One of the recommendations was that if we are going to have that five-year moratorium we are well into that now. Is there any research being done to give us -

**Mr GREEN** - I think the member made that point at a forum we both attended in -

**Ms FORREST** - I did not want to hear your answer. I wanted to hear the other panel members' answers.

**CHAIR** - Anyway, is there any work being done to prove it is going to be an advantage to Tasmania in being GE-free, particularly as we are seeing other States start to move into it - South Australia and Victoria. We are almost out there by ourselves. Is it going to be an advantage to us or is it going to be detrimental to our agricultural economy? A vexed question.

**Mr GREEN** - I certainly hope it would not be detrimental. I think that you, as a farmer, would know better than all of us. It has been reflected recently in the size and scale of our farms in the State of Tasmania that we not broadacre and in the main most of the crops that are affected genetically or are genetically modified are that broadacre range, as I understand it. Of course we are working with the poppy industry to make sure that they can continue with their work.

[11.15 a.m.]

I think that it is an interesting debate, particularly in line with the questions that are going to be asked around the whole issue of chemicals and chemical uses in Tasmania. Often people who argue vehemently that we should not use any genetically modified organisms to grow food are the same people arguing that we should not be using any chemicals, whereas if you use genetically modified plants then you would possibly eliminate the use of chemicals.

So it is an awkward question, but there is a community expectation that food is safe and clean and it while ever that community expectation is out there and Tasmania can continue to promote its image based on that - growth hormones and GE-free and all that - then that it is an advantage to us.

**Ms FORREST** - One of the issues for the committee when we last looked at this was that there was no conclusive evidence that there was a detriment to health. There was fairly clear evidence there is a risk to food security as far as supply, and this is one of the areas that the Chair was asking about, the research being done in this area. I am not sure whether the five years is up.

**Mr GREEN** - 2014.



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**Ms FORREST** - So it not that far away really. So we are going to have to have another look at it at some stage over the next year or two. But the research really needs to have been undertaken and available somewhere to guide the process into the future.

**Ms WILSON** - The Department of Economic Development, Tourism and the Arts are starting to look at marketing around GMOs, and I believe that it is around some of the questions that you have raised. They have gone back to look at the report and the recommendations and have just started to do some work. It is very early stages and the scope of that I am not clear on as yet. But we are working together at officer level at this stage.

**Ms FORREST** - The point is, Minister, that we have had this moratorium in place now for a couple of years and I find it appalling that DED and Tourism Tasmania have not capitalised on it. That was one of the key factors contained in it was that if we can promote our State, our clean, green, GE-free image then that will bring tourists here in droves and people eating our food here in droves. Well nothing has been done. They are just starting now as your advisor has suggested and I think that is appalling.

**CHAIR** - Okay, we had better move as the debate could go on. You know where I stand on that matter.

**Mr GREEN** - Yes, I know where you stand on that matter.

**Mr MULDER** - The community task force on McCain and the six projects out of that; how are those projects going and what sort of money was spent?

**Mr GREEN** - We have provided almost \$1 million to support the vegetable industry closure at McCain vegetables. The funding supported a number of initiatives. The majority of these projects have been completed and final reports have been received. The McCain community task force has recently submitted a report to the Premier recommending it now be wound up. The task force members are to be congratulated for the work that they did through that process. The funding supported a number of initiatives: an additional rural financial counsellor; evaluation of the Australian Grown marketing project; extension of the Tasmanian vegetable promotions program; investigation of controlled traffic farming and a facilitator to implement the Vegetable Industry Strategic Plan who has been working through the TFGA, which continues. We are continuing to manage the delivery of the remaining projects.

Of the initiatives yet to be completed, applications closed on 29 April 2011 for the \$200 000 grants program. This program will provide one-off grants of up to \$50 000 to eligible businesses for post-farm gate projects aimed at strengthening the vegetable industry.

Work continues by the Tasmanian Institute of Agricultural Research on the \$180 000 program to develop and evaluate controlled traffic farming in the north west and the vegetable industry facilitator continues to work on the implementation of the Tasmanian Vegetable Industry Strategic Plan 2007-12. Apparently it is a very good operator and is working extremely well.

I chaired the McCain taskforce in the initial stages. Like any of those shocks, when it comes to the community when a big employer is shutting down, the task force was put in place to assist people to manage their way through that very difficult time in that community. I believe - not just because I was the Chair - it worked very well.

**Mr MULDER** - On the TIAR, in the annual report at Table 15 there has been a decline in real terms from external funds received from the Australian Government and industry. Am I reading that table right, and if so, why?

**Mr GREEN** - I will have to take some advice about that.

**Mr MULDER** - It is a world class facility and all the rest of it. You would think it would be attracting more funds, not losing them.

**Mr EVANS** - It is the nature of the business that you apply for research grants. Some years you are more successful than others. In that particular year, I think we had a number of fairly significant projects coming to an end.

If my memory serves me correctly we have already achieved about \$9.4 million in the 2010 calendar year, so in that year we were up on the target. It does wax and wane a bit, but by and large it has been extraordinarily successful, given the level of investment that we have made for the leverage that we get in terms of industry and other competitive grant funds.

**Mr MULDER** - That is government and industry research grants?

**Mr EVANS** - That is the external funds that the institute is able to access.

## **2.2 Marine resources -**

**Mr WILKINSON** - Tassal made some comments about the difficulty of operating in Tasmania. They were contemplating expanding investment elsewhere because of those difficulties. What were the circumstances surrounding that, and what role has the Government played in ensuring that they remain within Tasmania and invest within Tasmania?

**Mr GREEN** - The salmon industry is an industry that has been identified as part of the economic development plan - we can certainly grow it in the State. Most of the growth in the sector has been taken up by domestic consumption of salmon, which is a good thing and it is deemed that there will be further growth in that market, as more people begin to take on the product. There has been an amazing expansion. Obviously the Soldiers Point decision upset Tassal, in particular, and I have undertaken through the department to have a look at how our Marine Farm Planning Authority operates. I had no role in that decision, and the way the act is established there is no role for the minister in any of that decision making of the statutory authority. Had they made a decision to approve the project, then I actually have a role. But when they make a decision and knock it back there is no role. That is the first thing. We are looking at that overall and the secretary made this point to me some time ago with respect to the number of statutory bodies we have established in Tasmania, this being one of them, that at some stage we probably should have a look at those statutory bodies with a view to thinking about ministers having more responsibility for decision-making, particularly given that we have the Integrity Commission sitting over the top of us now that did not exist in the past. That is one thing that your specific point around that is one that is taken.

What are we doing to keep them here? Obviously, we are working very closely with the three main producers now in Macquarie Harbour area. We are looking to expand that. The good thing about that project overall is that we have the situation where the departments are working together to pool resources to make sure that each of the barriers to expansion are ticked off

sensibly. Part of that are the on-shore facilities that would need to be established. We are working closely with the West Coast Council because they want to see those on-shore facilities moved away from the main street of Strahan to other areas. We are very hopeful - what does the expansion mean in terms of water and production? It just about doubled it in Macquarie Harbour.

Overall, we would like to be in a position to take the industry - it produces about 30 000 tonnes now - if we got it to 70 000 tonnes it would improve and it would employ another 1 000 Tasmanians.

**Mr WILKINSON** - In relation to the business - the reason I mentioned that with Tassal - I did mention another matter in the budget debate in relation to a business - and I will not mention any names here - that is endeavouring to be involved in the farming of wild abalone down in the Channel. They have paid licence fees for the last five or six years and they do not seem to be getting anywhere at the moment.

**Mr GREEN** - No, we have made a decision to curtail the whole wild abalone at-sea farming.

**Mr WILKINSON** - In short, there are no opportunities for wild farming?

**Mr GREEN** - The risk is just too great with the AVG virus.

**Mr WILKINSON** - Even if you can show by scientific evidence that it is not as bad as perhaps you may think at the moment.

**Mr FORD** - Over a number of years we have been working with that particular company in terms of looking at their risk assessment. In terms of at-sea, there is a risk in relation to having marine farming for abalone in the ocean that it cannot mitigate in terms of a disease. For a land-based facility there are things you can do to treat effluent. Significantly, the Government is working with the land-based marine farms and the land-based processes to deal with treating their effluent to minimise the risk. That is just not tenable in the marine environment situation.

**Mr WILKINSON** - Am I right in saying, though, that there are these farms in operation in other States?

**Mr FORD** - Yes, there are and in fact the problem in Victoria related to a marine farm as well in the ocean, and the other States are looking at their circumstances as well.

**Mr WILKINSON** - Still those businesses are being carried out, are they not, in other States?

**Mr FORD** - In South Australia they currently do not have abalone viral ganglioneuritis.

[11.30 a.m.]

**Mr GREEN** - Didn't the one go broke there anyway?

**Mr WILKINSON** - No, not at all. It cannot get up because it has not been able to do that even though it has a market in Taiwan.

**Mr GREEN** - No, no, I am talking about the one in South Australia.

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**Mr WILKINSON** - Sorry. Anyway, rather than continue on, because that could take some time, I would not mind getting parties together with that so we can have a round table discussion if that is okay. I will put that on notice.

**Mr GREEN** - We have had lots of discussions. I have signed the minute. We have an operator off the Furneaux Group and we are continuing to allow him to operate basically at a pilot stage, and I think that is the only other one, is it not, Wes?

**Mr WILKINSON** - Are there not five others around the State, two on the east coast?

**Mr FORD** - Not in the ocean.

**Mr GREEN** - The only one that is in the ocean that I am aware of is off the Furneaux Group.

**Mr WILKINSON** - And are there any problems with that?

**Mr FORD** - There have been no identified problems, but there is still the risk process that if a sea-based marine farm develops AVG, the opportunity to deal with that is very minimal, and the likelihood of spread from that farm into the wild is high and unacceptable in the risk process.

**Mr GREEN** - That is based on advice from the Chief Veterinary Officer. We just cannot be in a position where we put at risk this important industry. As the largest producer of wild abalone in the world, we have to minimise that risk as much as we possibly can. I understand their frustration, and I have spoken to these people at length, but I am not going to be the person that puts the rest of the industry potentially in jeopardy. We have already had a big fright with the AVG virus on the east coast, and it cost a lot of money.

**Mr WILKINSON** - But that was nothing to do with the wild abalone farming within Tasmania, because it has not been able to do it.

**Mr GREEN** - No, it is not, but had there been a concentrated wild abalone farm at sea in close proximity where the disease was manifesting itself, then all of a sudden we would have had a lot of disease out there and our wild abalone industry would be at risk.

**Mr WILKINSON** - So am I right in saying that you are still open to listening to more than credible scientific advice in relation to it, because otherwise it is like standing on the corner of Murray Street and Bathurst Street with your arms out and they say, 'What are you doing?'. 'I am keeping the elephants away', and the fellow says, 'There are no elephants here', and he says 'I am not doing a bad job, am I'. It is the same type of scenario.

*Laughter.*

**Mr GREEN** - I have no problem with scientists engaging with the Chief Veterinary Officer if that is appropriate, but at the moment I have made the decision. Would you agree with that, Wes? So yes, if you have some science that you want to put to the Chief Veterinary Officer, that is fine.

**Mr WILKINSON** - Okay. Thank you.

## UNCORRECTED PROOF ISSUE

**Mr WILKINSON** - In relation to long-spined sea urchins, I understand commercial harvesting of those is occurring on the east coast.

**Mr FORD** - Yes.

**Mr WILKINSON** - It was supposedly a pest, but now we have turned it around to become a business, is that correct?

**Mr GREEN** - It is. It is 60 tonnes, I think, that have been harvested. The whole issue of the centrostephanus is obviously a big problem for the industry, and we know that barrens have been created on the bottom of the ocean as a result of the centrostephanus population areas where they were previously populated. It is a complex issue. The complexity ranges from the biomass of rock lobsters in the sea and the size of those lobsters, through to climatic change, water temperature. All of those things are having an effect on the ability of the urchin to survive in Tasmania where it could not survive in the past, and they have been detected right round to Port Davey now, so there are a lot of them. In some areas they are obviously in plague proportions and they are creating these barrens, eating everything in front of them. It is good to see a new industry spark up as a result, but managing this problem is not just about the commercial harvest of them, because they are existing at depths in Tasmania as well, which means that you cannot put divers in that deeper water to harvest them anyway. I have convened a meeting of all stakeholders to talk through the Centrostephanus issue and IMAS is heavily involved in that issue as well. We are expecting some feedback in the form of reports in the not-too-distant future. But it is good to see an industry spark up. I have used the analogy before that we had the problem with the undaria weed in Tasmania. There was an industry built up around that for food and potentially pharmaceutical products where we used to harvest the weed here thinking that it would be at levels to run a commercial operation forever effectively. Now there is not enough weed, so they import it from Argentina.

I wish the company all the best; they are doing a fantastic job. Obviously, we tried the product; it is really good and we are working very closely and certainly DED is working very closely with them to give them the best opportunity.

**Mr WILKINSON** - Seals have been a problem now for a number years in relation to the farms. I understand that problem may well be increasing. Can you tell me what is happening there please?

**Mr GREEN** - The management of seals is not actually my turf. But as you are quite well aware, their interface particularly with salmon is quite serious and the secretary was advising me recently that a person was bitten by a seal. It is of great concern. I think Huon Aquaculture had 50 seals in one pen. A few of them unfortunately did not make it out for various reasons; I am not sure why.

**Mr WILKINSON** - Neither did the fish.

*Laughter.*

**Mr GREEN** - It is causing a big problem for the salmon industry; that is true. It is one of those interfaces with the natural environment that we have to try to manage our way through.

**Mr WILKINSON** - And are we succeeding? Because it would seem not.

**Mr GREEN** - If you take that latest case, probably not.

**Mr EVANS** - I can add that it is a very difficult and complex problem and, are we succeeding? It is sort of a game where the companies get in front of the seals and then the seals outsmart them and it is always a case of trying to get one step ahead. At the moment there is a real problem. The companies have a multi-faceted strategy for dealing with seals. Primarily the main thing that they are doing is investing in systems to protect the fish - different net designs and so on. But we do have a thing called the seal interaction forum which involves the companies and a range of other stakeholders where we look at a suite of things that we need to do. We have a series of protocols for how we deal with seals and they range from, as I have already spoken about, investing in technology through to deterrents and, in extreme cases, euthanasia with a particularly problematic seal. They are still undertaking relocations. It is not an easy situation but one that the companies take very seriously in terms of their obligations.

**Mr WILKINSON** - Have they noticed an increase in the number of seals and has that brought with them an increase in the number of sharks after the seals?

**Mr GREEN** - Sharks?

**Mr EVANS** - I do not think sharks are a problem and anecdotally the companies and indeed commercial and recreational fisherman will tell you that seal numbers have increased. They are not what you would call plague proportions but if you create a marine farm, seals will move towards it. It is like establishing a café for them - they go to extraordinary lengths to try and find ways through to get fish.

*Laughter.*

**Mr GREEN** - It is a problem, you are right - short of open slather in the culling of seals.

**Mr EVANS** - I do not think the industry is advocating that, but we need to work on an ongoing basis about how they protect their stock from seals. I was down on the Benders' farm last week, for example, having a look at some of the work they are doing and we are having ongoing meetings with them and Tassal this week about what we can do. There is no simple fix for this. We do need to protect seals; they are a protected species. We need to work with the companies to safeguard their investments and I know the companies are working very hard on that.

**Mr WILKINSON** - I will finish off by saying that they are pests with a pretty face, aren't they? So it is very hard to eradicate the problem that they are causing.

**Mr MULDER** - You would not think that if you had been bitten by one whilst diving, I can tell you!

**Mr MULDER** - Minister, has there been any study on the economic contribution that recreational fishing makes to the State of Tasmania? If so, I would be very interested in seeing it.

**Mr GREEN** - There has been no specific study done. There have been pockets of information provided over time about what people believe is the investment. We might expand on this in a moment about how much you invest to set a cray pot versus fishing equipment

generally and all the rest of it. There is a lot of information but I am not aware of any actual study that has been done to produce that information.

**Mr FORD** - Certainly there have been no recent studies. I mean there have been studies attempted nationally and over a number of years to try and determine an economic value for recreational fisheries. They are all entirely dependent upon the assumptions put into it because you can make the number as big or as small as you like, depending on what is agreed to be part of it. We know that in Tasmania, for example, there are a whole lot of boats that people own, but how much do you attribute the ownership of a boat to recreational fishing? There is the recreational charter sector, there are the commercial dives and there are the bait shops. There is an economic activity associated with having a sustainable recreational fishery in Tasmania but trying to determine exactly what it is, is very problematic.

**Mr MULDER** - Speaking from personal experience and knowing what investment I make in the Tasmanian economy in relation to recreational fishing -

**CHAIR** - Along with the minister.

**Mr MULDER** - Along with the minister, perhaps, isn't it time we conducted such a study to make sure that we do have a sustainable recreational fishery? In that regard, what engagement does your department have with the Recreational Fishing Tasmania people in terms of looking after the specific interests of recreational fishing.

**Mr GREEN** - We are fully engaged with the recreational fishermen and their representative groups to assist us in -

**Mr MULDER** - That is TARFish, isn't it?

**Mr GREEN** - Yes.

**Mr MULDER** - I am talking about the recreational fishing group that is on the side.

**Mr GREEN** - Yes. A lot of consultation goes on with recreational fishers just on the rock lobster issue that we are facing up to right now. The consultation process has been very thorough and people have been engaged and can be engaged if they want to in that process. In that fishery, as an example, we are fully engaged.

Of course, we listen to people with respect to decisions that we might be able to make say on no netting or no commercial fishing. So the decision on Georges Bay, for example, to take the professionals out has made a huge difference to the recreational fishery there; there is no doubt. People are saying their catch rates and the varieties of fish they are catching there now have changed quite significantly so that is an example of where we have been able to think that issue through and make a decision that was a good one for recreational fishers.

There are two sides to the argument. We have got a huge commercial fishery and we have got the recreational fishery. We have to make sure we balance them on the basis of quotas and sensible, sustainable fishing.

[11.45 a.m.]

We have the Fishwise people out there working on allowing people to understand that it is important to fish the fishery sustainably yourself and all of those other things. I am a great advocate for the recreational fishery and I firmly believe that the processes that we have in place are good.

**Mr MULDER** - Perhaps, from your answer, it is time we had a good look at the economic impact study of recreational fishing, so that you are in a better position to make balanced judgments about recreational versus commercial. Built into a lot of this stuff is an assumption that recreational fishing is just a pastime and a hobby with little contribution to the State's economy, which is why quite often commercial fishermen get to win the day. I suggest that it is time we worked out, and got the players accurately termed, on the balance as to how much weight they should be having in the discussions.

**Mr GREEN** - That is an opinion.

**Mr MULDER** - It is not an opinion; it is a suggestion.

**Mr GREEN** - Well, it is a suggestion. I believe we have the balance right at the moment. In terms of the economic study, if you weigh it against the amount of money and the employment generated by the commercial fishery - it is a debate we could possibly have -

**Mr MULDER** - But you do not know what is being generated by recreational fishing, that is my point, but you are using it for commercial.

**Mr GREEN** - It is hard to plug the numbers in to get an accurate figure in the first place.

## **Output group 4 Water resources**

### **4.1 Water resource management -**

**CHAIR** - Minister, we have dealt with a significant amount of the bill with the aggregation of all the entities here recently and a lot of questions were answered there. Also, I do not know if you are aware the upper House recently had a briefing from the IDB on all the water development projects. We do not want to consume time on any of that at this stage because we have covered them pretty well from that respect just recently.

The only question I have at this stage is in regard to water development loans. As you know, back in the Tas Irrigation Schemes prior to the Meander Dam there was a different form of finance provided. I made the suggestion since then - I do not know whether TMGA had it as well - in regards to HECS-style loans to purchase the irrigation right and all the infrastructure that goes with it. Has the Government had any chance to consider HECS-style loans? Given the economic circumstances that might be difficult, but I pose the question still.

**Mr GREEN** - The immediate thing we have done through Tas Irrigation is to look at how we can help farmers who have been badly affected by heavy rains, wind and not being able to get crops off in this last year. We have effectively made provision for that in working with those farmers, particularly getting schemes off the ground. The Wesley Vale Scheme is a good example. More broadly, we are not in a position at the moment to provide loan funds in the style that you have just talked about.



**Ms FORREST** - With regard to the take-up of the water rights in each of the schemes around the State, how many applicants have there been? Do you have a list of the number on each scheme?

**Mr GREEN** - For each scheme?

**Ms FORREST** - Yes.

**Mr GREEN** - Is that information that is allowed to be provided? We can say generically how many allocations have been taken up. As part of the process we have to have a 70 per cent take-up on the water that could be potentially allocated, to get the schemes off the ground. I am sure we would have information and I guess we could provide that.

**Ms FORREST** - And the percentage too, like 70 per cent, you have to get that before you start?

**Mr GREEN** - It is probably more of a question for the GBE hearings really, but anyway.

**Mr EVANS** - It does vary. In some schemes it is 70, but in some schemes it is lower and some schemes higher. It depends on the economics of the scheme. We develop a detailed business case for each scheme, which identifies the economic case for a scheme. We have to do that as part of our commitments under the National Water Initiative. We identify a percentage of sales that we need to achieve from both an economic and a financial perspective in order to achieve what we call 'financial close' for a scheme, to say yes this scheme is going to be viable and justifies the Government supporting Tas Irrigation to commence construction. And that varies a bit.

**Ms FORREST** - So can you provide that information on each scheme? I would like to have the requirements that fit with each scheme and what you take up as being on each scheme, based on what the percentage take-up is.

**Mr GREEN** - So are you putting that on notice?

**Ms FORREST** - Yes, and -

**Mr GREEN** - It would normally be a question to the GBE hearings. But we will try to provide that.

**CHAIR** - Thank you.

**Ms FORREST** - I assume that everyone who commits to taking up a water right or allocation or whatever you call it, that they have to pay a deposit, and that confirms their commitment?

**Mr EVANS** - Yes.

**Ms FORREST** - So have there been any circumstances where people have paid their deposit and then withdrawn in any of the schemes?

**Mr GREEN** - One on the Meander I think.

## UNCORRECTED PROOF ISSUE

**Mr EVANS** - I think that is what the minister was alluding to in terms of the financial assistance we have provided, or when -

**Mr GREEN** - This is through the floods, where people have not been able to get -

**Ms FORREST** - No, where someone signed up and they had to pay a deposit for a water right -

**Mr EVANS** - And then defaulted.

**Mr GREEN** - Some have found some difficulties and we have tried to put a position in place. The only one that I am aware of that did not take up was on the Meander scheme. But that is -

**Ms FORREST** - There is only one that -

**Mr GREEN** - Well, that is the only one that I am aware of, that is on the Meander scheme.

**Mr EVANS** - We have only recently completed the construction of Whitemore Irrigation Scheme, for example, and under the terms of the contracts farmers would have paid a deposit.

**Ms FORREST** - Is that a non-refundable deposit?

**Mr EVANS** - It is a bit complicated, because there are two options; you can pay a higher deposit and have flexibility about whether you complete the contract without penalty, or -

**Ms FORREST** - And do they get their entire deposit back in that case?

**Mr EVANS** - You can pay a lower deposit and you are committed to pay the balance upon completion, or you can pay a higher deposit and have some flexibility, that is the way the system works. The Irrigation Development Board or Tas Irrigation needs some financial surety that when it enters into a contract and spends money to construct, it is going to get payment back.

**Ms FORREST** - So the question is, are those deposits non-refundable? You can pay the higher rate and have more flexibility.

**Mr EVANS** - Yes, they are non-refundable. So if you default you do not get your deposit back under those circumstances. But we are conscious that in some cases farmers have had an extraordinary bad year because of the floods, so that is what the minister was alluding to when he talked about providing some financial support to assist those farmers by giving them -

**Ms FORREST** - By paying their deposit, is that what you are talking about?

**Mr EVANS** - Well, giving them some deferral of payment. Someone has to finance that deferral and the Government is assisting in that respect.

**Ms FORREST** - So have any - you indicated there is only one -

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**Mr GREEN** - Oh, that was for the Meander scheme where somebody ordered water, and then down the track said no, I do not want it any more. That was for a different reason. They put on their own infrastructure on-farm and decided to go a different way.

**Ms FORREST** - So did they get their deposit back?

**Mr GREEN** - I do not think so. I would have to take some advice.

**Ms FORREST** - The reason is we are talking about non-refundable deposits and the question is has anyone had their non-refundable deposit repaid.

**Mr GREEN** - I think that would be a board decision.

**Mr EVANS** - Yes. I am not aware of any but really these are matters for scrutiny.

**Mr GREEN** - Yes, they are for when I have got the people around me that can actually give the answer.

**CHAIR** - IDB have a different scenario compared to what is on the earlier schemes that are under Tasmanian Irrigation Scheme.

**Mr GREEN** - Yes, that is right, they do.

**CHAIR** - Yes. Maybe Ms Forrest, that is what you were referring to-

**Ms FORREST** - Yes, I was trying to -

**CHAIR** - in some of those earlier Meander pipeline schemes.

**Mr GREEN** - There is some, I guess, not confusion, but there have been different scenarios. That will be consolidated now, but it does not necessarily mean that the loan funds that were available for the development of the Meander scheme are going to be available in the future. Well, they are not.

With respect to the default, we can find out and provide you with the information as to whether anybody has had a deposit refunded; that was your specific question.

**Ms FORREST** - Yes. For anyone who had taken up a water right and subsequently decided not to, has the non-refundable deposit been repaid?

**Mr GREEN** - Okay. Are you getting any specifically?

**Ms FORREST** - I am asking you the question.

**Mr GREEN** - Yes.

**CHAIR** - Thank you. Any more on water?

**Mr MULDER** - One question in relation to water. It seems to me that the whole irrigation project, which I reckon is great but, being on Clarence Council, we have got the entire water re-

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use scheme and it seems to me that the two are completely apart yet both are providing water for irrigation. Are there any moves afoot to try to incorporate these re-use schemes, which I understand are going to be expanding quite rapidly in the near future, with irrigation projects?

**Mr GREEN** - What is the interface between the Clarence re-use scheme and the existing scheme?

**Mr EVANS** - There is no interface in terms of the management responsibility but, when the Irrigation Development Board looked at options for the south-east, they took into account the re-use scheme and its future plan. So they have been factored into the design of the south-east irrigation scheme expansion. That is currently one of the big projects that the Irrigation Development Board is running. So the two are complimentary but they are not under the same integrated management. Whether that is something that should happen in the future is a different question.

**Mr MULDER** - When we had a briefing on those irrigation schemes, the people briefing us just seemed to be sort of - it was not in their mindset at all, so I am assuming that I was talking to the wrong person.

**Mr GREEN** - Kim is actually on the board so it might be something that -

**Mr MULDER** - I may have been talking to the wrong person but it seems to me that this is something, if we are talking about water management into the future, that these schemes are going to grow and it therefore seems silly not having them managed by the same authority and consequently the dispensing of the water.

**Mr EVANS** - I think the management task is different from the design task. I do know that going back, when Jock Chudacek was the CEO and was first conceptualising the solution for the south-east, he was mindful of the water re-use scheme. Whether you could move to having integrated management is a different matter and that has not been looked at.

**Mr MULDER** - It seems to me that Southern Water, for example, is pushing ahead with water and sewerage into the Dodges Ferry area which is a growing area, and I am sure that somewhere in there someone is going to work out that putting all that extra water into Frederick Henry Bay at the point where the whole Pitt Water thing flows out is not going to be a good idea. I would not be too surprised if a re-use scheme is involved there, which would be right up the valley where you are planning to do a huge project. Maybe we need to look at that - the water in-flows in some of those areas are always a great difficulty because of the fact that it is a fairly dry area and here you have virtually a continuous and predictable supply of water that could be used to do that.

[12.00 p.m.]

I guess I lay it on the table to alert you to the fact that from the perspective of the people who are managing the re-use scheme we do not see much of an integration of the two systems, which in the end you have the same customers, the same infrastructure and the same management issues - and revenue-raising capabilities.

**Mr GREEN** - What was the take-up like on the re-use scheme from Clarence.

**Mr MULDER** - Total take-up?

**Mr GREEN** - Yes.

**Mr MULDER** - It is over-subscribed. I think the Federal Government is sticking another \$30-50 million in to create a dam up the top end. I should be asking you these questions, minister, not you me.

**Mr GREEN** - When you were the councillor -

**Mr MULDER** - Still am.

**Mr GREEN** - Another one?

**CHAIR** - Yes, we are over-subscribed.

**Mr MULDER** - My questioning shows you the benefits of having people with local government experience in this chamber so that we can tell you what you ought to know.

**Mr GREEN** - We do not manage the scheme.

**Mr MULDER** - My suggesting that perhaps we need to do that if you are going to be managing the water resources of this State and you need to look at that. But with the future expansion of that program is something like \$30 million to create a retention basin up near Brighton, from which it is intended to reticulate and will increase even further the amount that the Coal River Valley is getting out of that particular scheme.

**Mr GREEN** - \$30 million.

## **Output group 5 Policy**

### **5.1 Policy advice -**

**Ms FORREST** - Policy advice has an allocation of \$2 million per annum when it is to provide policy advice, leads and supports projects with strategic and conservation importance of the department. Why is this not attuned into other aspects of the department? Obviously, Health and Education et cetera all need strategic advice at times, not necessarily conservation, but where are we getting value for money here?

**Mr EVANS** - Value for money, yes. We do need to have some whole-of-agency policy capability. This group does some of the routine functions like support the coordination of the legislation program, RTI -

**Ms FORREST** - But doesn't every department have to deal with that? That is the point here.

**Mr EVANS** - Yes, but this group also takes responsibility for some key projects that have a cross-agency focus. The major projects assessment group is a good example, where we have got a group who are dedicated to coordinating the department's input right across the board into the assessment of major projects. That has the advantage that major developers only need to go to a

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central point and deal with one part of the organisation and the coordination of the advice and activities cut right across the agencies.

**Ms FORREST** - Why doesn't it sit in the Department of Economic Development then?

**Mr EVANS** - Because it relates specifically to our regulatory function. Things like, whether it is heritage assessment, Aboriginal historic -

**Ms FORREST** - So the dam legislation sits under this?

**Mr EVANS** - flora and fauna, threatened species, crown lands, there is a whole raft of regulatory contacts that a developer would have. Those inputs need to be coordinated, particularly for major complex projects and the major projects assessment group would lead that coordination.

**Ms FORREST** - Would infrastructure not have a similar need?

**Mr EVANS** - They may do, I do not know how other agencies manage it. But with a major development a developer going into numerous different parts of the organisation, they go to a central location.

**Ms FORREST** - My point is that should there not be one area that does all this sort of stuff for all departments - infrastructure must surely, building the Brighton Bypass, then all those things that you have mentioned would be relevant. Is this an area that should be looked at?

**Mr EVANS** - In that case DIER are the developer, and as the developer they need to get approvals under various pieces of legislation as any other developer would, so a lot of those relate to our areas of activity. They cannot be both the developer and the coordinator of approvals. We have a task of doing our own regulatory assessments under our various pieces of legislation, and as far as practicable we do that in a coordinated way through the major projects assessments group for major projects.

**Mr MULDER** - What are we doing about the feral cat problem in terms of your department? Are there any programs or projects or things planned to deal with the feral cat problem?

**Mr GREEN** - No. The cat legislation, they are not proceeding with that at this stage.

**Ms FORREST** - It has not been enacted yet, has it?

**Mr GREEN** - No. We are not enacting it at this stage. We are not going to enact it until we get the funds to do it.

**Mr MULDER** - With the damage that they are doing out there it seems that maybe we should have a feral cat eradication program. I am sure the Member for Windermere would be very impressed that I am raising this issue in his absence. But what is the policy when you are catching cats in traps? Do the people in the task force have the right to destroy them or is there some other process?

**Mr GREEN** - I recall when I was actually responsible for this, I think we have a silly situation where you cannot destroy them in national parks. What is the situation currently?

**Mr WHITTINGTON** - The new legislation when it is enacted will clarify absolutely the ability of authorised officers to control cats in a variety of situations. At the moment it depends on land tenure, and I would have to provide you with some written advice on specifically what happens in what circumstances.

**Mr MULDER** - But when you say control you mean destroy?

**Mr WHITTINGTON** - Yes.

**Mr GREEN** - It is surprisingly complex, given that people do own cats, and cats within various vicinities of urban areas and goodness knows what, if you destroy their cat then all of a sudden -

**Mr MULDER** - The question is being asked in the context of these things that are so destructive to our natural habitat. I am sure you would be more than happy, should someone catch a fox in a trap, to do something with it.

**Mr GREEN** - Yes, that is right.

**Mr MULDER** - Thank you. I will get the answer.

**Mr GREEN** - No problem. It is not this portfolio, anyway, but we are here to help.

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

### **6.1 Biosecurity -**

**CHAIR** - In regard to myrtle rust disease, some nurseries complained to me that they were finding it extremely prohibitive to bring in particularly advanced plants from Victoria, and the treatment regimes that they had to go through to get them sorted out, recognising of course that they thought it was overly prohibitive.

**Mr GREEN** - I thought the nursery industry had been -

**CHAIR** - I think they have been in consultation -

**Mr GREEN** - And very cooperative too, I must say.

**CHAIR** - So that problem has been basically sorted? That was what I was asking.

**Mr GREEN** - I can go right through a brief on myrtle rust itself, but I think we will just cut straight to the chase.

**CHAIR** - I do not need that just to find out -

**Mr ANDREWARTHA** - Consultation is ongoing, but we do have a fairly precautionary approach.

**Mr GREEN** - Yes. We are worried about myrtle rust from the point of view of the plantation industry, let alone all of the trees in Tasmania, but particularly when you have monoculture-type arrangements. There are similar sorts of things. We had a devastating effect in Queensland. I am not sure how myrtle rust manifests itself in colder climates, nobody really knows and I do not think the work has been completed with respect to that. But I understand it is right down to Eden in New South Wales. By the same token it comes from South America where there are huge blue gum plantations, so I do not know. It is a bit of a quandary. With respect to the nursery industry I think it is going pretty well. But we are taking a very precautionary approach.

**CHAIR** - Also under biosecurity, animal welfare practices have been documented in the media recently, and that translates into the bigger picture of live animal exports. It is an ongoing debate, mainly at a federal level more than perhaps at a State level -

**Mr GREEN** - It is.

**CHAIR** - although somebody did raise the issue with me the other day: if some animal activist groups and/or the Federal Government go down that track - not that I have a pecuniary interest - but would it preclude live dairy heifer exports, for example, to China?

**Mr GREEN** - No, and it should not, absolutely not. That is where Tassie is a bit different. Effectively there is this whole social licence question when it comes to export and then the interface with different cultures. It is a very complex matter.

**CHAIR** - Certainly there are economic consequences because what has happened in northern Australia now has implications for the southern beef markets and everything else, because they do not have any processing facilities. That is another story.

**Mr GREEN** - Yes.

**Mr HARRISS** - What are the major biosecurity risks to Tasmania's disease-free status across the board, and have there been any major intercepts that would have posed significant threats to any of our industries?

**Mr GREEN** - From the point of view of, say, centrostephanus in our oceans, a couple of things have caused that to happen: sea temperature rise where the urchin can actually breed in our waters whereas before, if it ended up here, the spawn was not viable. On land, climate change is predicting that the fruit fly, for example, might be able to over winter in Tasmania in the future, so that could be a problem for us in the future. There are a range of issues, but I do not know what the biggest threat would be, what would you say?

**Mr ANDREWARTHA** - We do not actually keep a list of the biggest threats. There are a lot of plant pathogens, plant pests out there present on the mainland, which are a risk and the same with animal diseases. Obviously the fruit fly detection was a significant finding. The real risks tend to be the exotic country ones rather than present in Australia, things like foot-and-mouth disease.

**Mr GREEN** - For example, it would make a big difference if we had fire blight or tomato silius; for potatoes, zebra chip - freckly patterns through the potatoes. The myrtle rust, if it had an effect on the plantation industry and our natural environment, would be devastating obviously.



There is a range. I mentioned this at the last hearing, it is time we went through the kilograms of fruit and whatnot that have been detected at airports and other places. We need to be flexible in the way that we approach biosecurity. I have had an open mind with the department about where we concentrate our best efforts in making sure that we protect Tasmania. Often there is window-dressing associated with biosecurity that makes people feel pretty good about it, but it is probably not that effective.

[12.15 p.m.]

**CHAIR** - Thank you.

**DIVISION 5**

(Department of Infrastructure, Energy and Resources)

**Output group 5**

**Racing policy and regulation**

**Mr GREEN** - Suffice to say that I have got great confidence in the integrity of our racing industry.

**Ms FORREST** - Well, I will lead in from there because there has been some discussion, as you would be aware, about the industry being a bit unhappy about a number of aspects of the, and there have been some suggesting within the industry that the integrity arm, the Tasracing service, should be incorporated into the industry of Tasracing. So as far as some people believe to be economies of scale, there would be savings to be made in the current budgetary situation in Tasmania that we are facing. So would you like to comment on that?

**Mr GREEN** - Well, as I understand it, you have got a committee underway and you are taking evidence. I will await your report with respect to that and then have a look at what you have got to say. It is fair to say that most other States, I think, are integrated, but the system that we have got in Tasmania is working well. It would have to demonstrate to me significant cost savings. I want to make sure that, because I am absolutely confident it is true, and it was reinforced at the last committee, or the committee that we had on Monday, that you cannot have a racing industry without solid integrity. I believe that the concentration on integrity is in fact the foundation for the industry to be operated upon.

**Ms FORREST** - But in the interest of a tight budgetary situation that the State is facing, is that something you would consider?

**Mr GREEN** - Well, I have not given it active thought, but I am aware of you committee and I will have a look at the evidence and what your findings are.

**Mr WILKINSON** - We are in a committee with it so therefore it -

**Mr GREEN** - Obviously I am aware that Tasracing has been and you have asked a series of questions.

**Mr MURRAY** - Just on behalf of DIER.

**Mr GREEN** - I am not foreshadowing any change. We are running a tight ship here with respect this.

**Ms FORREST** - That is my point; money is tight.

**Mr GREEN** - But we are running a tight and efficient ship with respect to racing services. If I had been fronting to the committee I would have had to have prepared some evidence either way but I am not so I am looking forward to what you have to say. I am more than happy for Tony to chip in but as I have just indicated I do think that integrity is vitally important in making sure that the rest of the industry stacks up.

**Ms FORREST** - When we consider the amount of money that the racing industry receives, \$27 million indexed, you have your race fields levies, sponsorship - this is for Tasracing - but when we look at it there is still a significant amount of taxpayer funds -

**Mr GREEN** - Indeed.

**Ms FORREST** - going into the racing industry through DIER, so are there functions that could be moved in to Tasracing that they could then undertake and thus reduce the financial strain in DIER?

**Mr MURRAY** - I do have strong views on this subject. I think the savings would be minimal. What we do is the delivery of high-level integrity. What we do is a high level of engagement with the industry. I think what you would be doing is compromising either or probably both of them if we were to look at saving money or using such a merge to save money. I think that there would be upward pressure on wages. If you look at the salaries in place in the Integrity Unit through the Director of Racing, through the Chairman of Stewards, which are high level integrity positions, and you look at the level of wages in Tasracing as stated to the committee, the disparity is remarkable. I think there would probably be upward pressure on wages if the two were to be merged; if anything it could result in additional costs. But even if the above is not true, if you were to merge with the purpose of saving a bit of money you need to look at the impact if the integrity is lowered or compromised. Because, as the minister said, the whole health of the racing industry is dependent upon the integrity. To get additional money through revenue, through betting, through race fields is largely dependent on the confidence of the punter and the participant to bet on and participate in Tasmanian racing. If integrity is in any way lowered you will find that there will be a lowering in confidence and lowering in turnover on our product.

If you were looking at a contemporary racing model here today, if we were starting racing today, what would we say in terms of integrity? I think that you could not argue against the independence of integrity. If you set up an integrity body anywhere, a cotemporary model says it should be independent. So if you were setting up racing today you would have an independent model, free of any conflict of interest. You would have the ability of the regulators to make decisions free of any commercial interests. You would have separate funding so that there was not a conflict in funding: does this dollar go for sponsorship or commercial arrangements or does this dollar go for swabbing and integrity? You would not have a conflict of interest in terms of funding. You would have a model that covers the three codes of racing together in terms of integrity because there are synergies and economies of scale there. You would have a government-run integrity system in terms of all the checks and balances that are there for government that the integrity unit would be subject to. You could then sell your product or at least try and sell your product to overseas markets on the basis of being independently funded, no

conflicts of interest, government run. I would say that if you were setting up racing today the model that we have here today is the model that you would go with.

**Ms FORREST** - This is the regulation that you look at as well, is there an intention to increase the race field levy through amendment to the regulations?

**Mr GREEN** - The legislation allows us to be flexible in that regard. Of course we are waiting to see what is going to happen in other States on the court cases that are underway; I think it is in the High Court. If there is a significant move to change, well then we are in a position because that was carefully considered in the drafting of the legislation to be flexible. So yes, if there is a need.

**Ms FORREST** - What would determine a need as opposed to a desire to actually increase the amount of revenue coming into Tasracing?

**Mr GREEN** - The different model established nationally with respect to collection I suppose. Tony would be the best -

**Mr MURRAY** - Victoria recently completed a review of their structure in place in terms of the gross revenue model and the recommendation to them was to increase the current percentage of gross revenue to 15 per cent during normal times and 20 per cent during the spring carnival, their premium time and a safety net of 0.5 per cent of turnover. So it was a combination: increasing the percentage of the gross revenue but also having a safety net to say that this is the minimum we would collect. I know that Tasracing has looked at the report in Victoria and is considering it.

## **5.2 Racing policy -**

**Mr WILKINSON** - There is not a great deal in that racing policy area. Can you give me the major development in racing policy over the last twelve months?

**Mr MURRAY** - It has primarily been focused on the race fee legislation. We have had to be across movements in other States, we have had to be across legal determinations in other jurisdictions, we have worked closely with the Solicitor-General to make sure that the changes we made during this year made it as compliant as possible and enabled us to start collecting the fees as of 1 November. That has been our focus over the last couple of years but especially over the last twelve months.

**Mr GREEN** - I can assure you that the issue of us making a decision about this was one that we really had to take on in the first place, not necessarily against the advice of the Solicitor-General but with caution, with respect to waiting and see what was going to happen in the New South Wales court.

We had set up a regime, as you know, that included race fields as part of the revenues going forward for the industry. That is why it was so important that Tony and others understood what was happening in Victoria, where that system was actually operating. We ran that past the Solicitor-General and he indicated that it would be appropriate under those circumstances to start collecting.

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In the urgency then associated with preparing the legislation, putting the industry on notice, doing all of those things in a coordinated way so people knew exactly, up-front, in a transparent way, what we were trying to achieve. That was so that we could meet our budgetary requirements.

Unfortunately, as you know, we are only going to collect about \$3.2 million this year, which leaves us about \$1.6 million shy and we had to put in a different facility to enable those funds to flow to the industry to meet their budget.

**Ms FORREST** - Was that money through TOTE? Is that the case?

**Mr GREEN** - No. It was made through Tascorp.

**Mr RUTHERFORD** - I might add, Minister, that sitting behind this are two of the toughest issues to deal with in public policy. The first is the nature of information as a public good, but its proprietary nature and the problem of free riding. Then there has been sitting behind it at industry level the problem of competitive neutrality in terms of the industry. Those things inform the efforts that have gone into constructing the fee structure, charging for race field information nationally and have had to inform how we have looked at developments in other jurisdictions and in seeking legal advice. On the surface it just looks like how do you charge for your information, but sitting underneath it are very complex policy issues.

**Mr MULDER** - I think recently the Premier described the whole industry as unsustainable or words to that effect.

**Mr GREEN** - No, no; that was Kim Booth.

**Mr MULDER** - I thought it was the Premier who said it was not a sustainable industry.

**Mr GREEN** - No. It would be Kim Booth. We fund the industry to the tune of \$27 million a year

[12.30 p.m.]

**Ms FORREST** - More than that.

**Mr GREEN** - Yes, more than that. If we didn't fund it then of course you would not have an industry; it is a simple fact. It is an important industry to the State and employs a lot of people, and therefore we look after it. We want them to commercialise themselves as much as possible. We want them to - and this is for another forum - have a corporate plan that takes them into continued growth and we want to leverage as much as we possibly can off that taxpayer investment into the industry.

**Mr MULDER** - That is fine. I am not philosophically opposed to us propping up industries where they are worthwhile.

**Mr GREEN** - It is just that getting Kim Booth and the Premier confused.

**Mr MULDER** - I may have mistaken the Premier for Kim Booth and I take it that you have done the same with me, so we are even.

*Laughter.*

**Ms FORREST** - On that point, and it is possibly an area for the GBE hearings and I accept that, Minister, but as far as the \$40 million loan that Tasracing has, you made the point that you expect in effect Tasracing to have a corporate plan and a strategic plan that actually brings them into a profitable position to be able to meet their repayments.

**Mr GREEN** - They are paying a public subsidy at the moment on the deed. Until they are in a position to do that we continue to -

**Ms FORREST** - I know and as far as I can determine - and I asked the Treasurer about this as well - there is simply no expectation that that will be happening in the foreseeable future. Effectively the taxpayer of Tasmania is paying \$27 million-plus to the racing industry and we are also funding the entire cost of the loan for the foreseeable future. Do you have an expectation as to when you would expect them to be in a position where they can start at least meeting interest repayments?

**Mr GREEN** - I have an expectation that the board does its absolute best to meet the obligations it has set itself in the corporate plan that we have ticked off on. But you are right; at this stage the growth to enable them to facilitate the loan repayment, interest and everything that goes with that is a little way off. I could not give you a time.

**Ms FORREST** - As minister you have an expectation when you think it would be reasonable that they could be in a position to start taking the burden off the taxpayer.

**Mr GREEN** - I would love to see the industry in a position where it is doing that, but at the moment it is a fair way off.

**Ms FORREST** - Fair way or not, I am asking what you think is reasonable.

**Mr GREEN** - I cannot be more specific, not without the people involved in the industry sitting around the table with me. Suffice to say that it is fairly difficult to grow the industry. In terms of revenues, you have got to get a lot of turnover to get a small amount of revenue. There are a range of constraints, but what we want to do is have the infrastructure up to scratch, certainly from the point of view of integrity and racing, and that loan facility will enable us to do that. When it comes to cameras, for example, that is a good example of an investment we can make that will assist the integrity but at the same time provide a good product for people to review the races themselves.

**Ms FORREST** - Things like cameras come out of that \$40 million loan, are you saying?

**Mr GREEN** - Yes.

**CHAIR** - Thank you.

**The sitting suspended from 12.34 p.m. to 1.35 p.m.**

**Wednesday 29 June 2011 - Estimates Committee A (Green) - Part 2**

**DIVISION 5**

(Department of Infrastructure, Energy and Resources)

**Mr GREEN** - Obviously the Government is committed to ensuring that the cost-of-living impact of energy prices is kept to a minimum, while ensuring that the sustainability and viability of the Tasmanian energy industry is maintained. The past decade and a half has seen significant change in the Tasmanian energy industry. There have been many major reforms, not the least being the establishment of three Government-owned energy businesses and the introduction of alternative energy sources, such as gas and wind power and joining the National Electricity Market through the Basslink cable.

To better help understand changes in the energy market, an expert panel was developed in 2010 to conduct an investigation and provide guidance to Parliament on the current position and future development of Tasmania's electricity industry. The panel's process is consultative, seeking input from the community and stakeholders at various milestones. It is anticipated that the final report will be delivered in December 2011. The Government is keen to see Tasmanians make more efficient use of energy, especially electricity and petroleum products. We see this as being a practical and cost-effective way for people to offset high energy prices. We also see it as a practical and cost-effective way to reduce carbon emissions. Electricity saving in Tasmania means fewer imports and more exports over Basslink, thus reducing the need for extra gas generation in Victoria. So it has an important effect on reducing the national greenhouse emissions. I welcome this new focus on energy conservation and efficiency. It has the potential to help Tasmanian businesses to become more competitive. It can help Tasmanian businesses and families to offset the rising cost of energy and also to reduce the greenhouse footprint.

We are keen to make sure that Tasmania has also been actively participating in the National Energy Customer Framework. Our participation in that framework will ensure that Tasmanian electricity customers will continue to receive the highest level of customer protection. Obviously, energy is a complex area. I guess that is indicated by the fact that we do have an expert panel looking into the structure of energy supplies in this State and the business models that we have in place. Suffice it to say that the support through the department from a policy point of view is about doing our best to ensure that Tasmanians pay as little as possible for energy going forward.

**CHAIR** - We have talked about a second Basslink. Where are we at with it?

**Mr GREEN** - Transend provided a brief to us and I think they provided a brief to Legislative Council members as well, on issues associated with energy transmission and their possibility. There is no work being done that I am aware of, Tony, other than the work that was done by Transend on a -

**Mr VAN DE VUSSE** - Yes, there is. Basslink Pty Ltd own the trading name Basslink and have asked it to not be used for talk of a second interconnector, as they have nothing to do with it. The matter has been looked at quite carefully by the Tasmanian Renewable Energy Industry Development Board in conjunction with Transend and the Australian energy market operator under its general work looking at transmission developments in Australia. I believe that work will be released to government shortly.

**Mr GREEN** - Apparently it is to be presented to me shortly.

**CHAIR** - Okay. Just with regard to Aurora dividends, given that you are a stakeholder minister and given the financial problems that have beset Aurora, are you satisfied that in this current Budget, Aurora can pay dividends into the State coffers?

[1.45 p.m.]

**Mr GREEN** - We have applied a blanket dividend policy to all the GBEs and SOCs. We have consulted with the businesses in the development of their budget. We would not ask for dividends that undermined the sustainability of a business and the expert panel notes in its issues paper that dividends do not impact on prices. So under those circumstances we will not be doing anything that compromises the businesses themselves.

**Mr WILKINSON** - In relation to any savings, redundancies or anything in this area, have you considered whether that is going to be the case, or is it again voluntary redundancies?

**Mr RUTHERFORD** - In DIER we moved quite early, as I think you will appreciate, in terms of our employment program. We anticipate that we can manage down expenditure in all our areas without the need for any forced separations. In this particular area it is a small policy unit, and the smaller the unit the harder it is to do this, but we do anticipate that we may need to reduce the size of the unit by roughly one FTE. But obviously that will occur as we work with natural attrition in the agency. In terms of its impact on service delivery, obviously when you are dealing in an area like this you always have some impact but we have learned and continue to learn to work smarter. I am confident we can continue to deliver the outputs with very small effects on service quality.

**Mr WILKINSON** - It seems to me that you started to look at savings during the GFC and started to put measures into place at that time.

**Mr RUTHERFORD** - That is correct.

**Mr WILKINSON** - It seems to me that the agency before you and this one were probably, I will not say exceptions, but were a couple of the agencies to put up in lights and say this is how it is done. Would that be right?

**Mr RUTHERFORD** - It is a very difficult question to answer. We are proud to work with our employees in these terms and I think the secretary, possibly because of his experience in a more commercial world, was particularly well-placed to move quickly in responding to this. We are confident that we have a plan, we are sticking to it and it will work.

**Mr WILKINSON** - Page 4.10 of budget paper 1 notes that the 2011-12 Budget and forward Estimates contain a provision for targeted voluntary redundancies of \$10 million per annum, to be administered through Finance-General. Can you tell me how that is going to be made?

**Mr RUTHERFORD** - We are actively promoting a renewal program. It not likely to impinge, I might add, in this output area, so I am expecting in this area we will rely on the normal movement of staffing to assist with the budget task. But across DIER, we are implementing renewal. The demography in some key areas - a good example we may touch on at another time is MRT, where the demographic profile is such that we are able to use the opportunities both to meet the budget task and to drive for some demographic renewal.

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**Mr WILKINSON** - Are you saying in a kind way we are all starting to get a bit old?

**Mr RUTHERFORD** - We are all getting a bit long in the tooth, that is right. The biggest challenge of course lies in the expertise that walks out the door and the capture of the corporate information. We have already experienced that in MRT with the loss of Dr Brown, as we've realised.

We have seen this coming for some time - not the budgetary issue but the demographic change - so we have processes in place to capture that corporate information. The real challenge we have now is how to reshape the organisations, slim them down a little bit, and infuse them with some younger people. Naturally you take advantage of the fact that you are losing the experienced and well-paid and hiring new people. You try to capture the information as the experienced go out the door and slim down that way.

It is also important we continue to do business re-engineering. In some areas there is much more scope than others. In Tony's area it goes more to how we do business and trying to slim down on the non-salary costs, so video conferencing, in particular, offers the prospect of cutting travel costs and so forth, and in how we quality assure the ? in the policy process.

There is obviously certain amount of duplication in risk management so there is room like that. In other areas where it is more transactionally-based across the agency we are able to take advantage of proper business process re-engineering. Again, in some other areas we can, with care, change processes and lower the cost of staff inputs that way. That is how we see it working.

**Ms FORREST** - Are you able to provide figures on what you have spent on travel this year as opposed to last year?

**Mr GREEN** - There has been no international travel.

**Mr VAN DE VUSSE** - If you do not mind a certain amount of rounding, my budget is \$1 million and has been fairly steady for some years. About 80 per cent of that is direct staff costs and associated costs, and the rest is associated with overheads including travel and contribution to the national economic reform processes, which occupy nearly half our efforts. There is no international travel and travel to meetings with senior officials or working groups and so on including cars, accommodation and all the rest of it is only about \$24 000.

**Ms FORREST** - How does that compare with last year?

**Mr VAN DE VUSSE** - It is down a few thousand. Meetings are more often held at Melbourne airport rather than mixing them around. We do a lot of teleconferencing instead of attending meetings directly and to some extent there has been a slowing of some of the activity - not directly associated with the Ministerial Council of Energy but we are also participating in energy efficiency meetings and at one stage even some meetings to do with climate change policy.

**Ms FORREST** - Do you use consultants?

**Mr VAN DE VUSSE** - Not directly. In the last budget we were given money for some specific tasks: the Tasmanian oil price vulnerability study - \$350 000 to investigate Tasmania's exposure to steep or sudden increases in oil prices and what could be done about it, and we have



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used consultants on that. In our regular work we do not use consultants except that we have a register of subject-matter experts whom we can call on for specific items at below \$10 000 limits.

**Ms FORREST** - How much of your total cost was for consultants last year?

**Mr VAN DE VUSSE** - Practically none. I cannot think of any.

**Ms FORREST** - Generally they are only for specific purposes as you mentioned -

**Mr VAN DE VUSSE** - On a technical matter or something like that. So it is a registry of people we can call on. We used to do that and they were grizzling about forever being called on and never being paid anything, so we thought it appropriate to pay them \$1 000 a day if we make use of their services.

**Ms FORREST** - On this line item I notice it relates to promoting increased efficiency in the supply and use of energy in Tasmania. I know in the Premier's Budget speech, she talked about the program to assess energy efficiency of homes. Is that something that you have been involved in?

**Mr VAN DE VUSSE** - Energy efficiency is a very interesting and important topic. For many years, the main progress on energy efficiency in this country was through the Ministerial Council of Energy on which the minister sits. It had the national framework for energy efficiency under there. That included things like performance standards for equipment, housing framework, energy stars and a lot of other stuff. Not a lot of money in total and not sufficient in my opinion, but part of that was working on the star rating process for houses and all the rest of it. That is an issue that touches many portfolios including Housing and Workplace Standards who have to administer the act and so on.

To some extent that has been subsumed into something called a National Strategy for Energy Efficiency and it is still looking for proper sources of funding and so on. In many ways the Ministerial Council of Energy has been progressing matters that probably should be done on a bigger national scale.

I have been finding \$70 000 to \$80 000 a year out of my limited budget to support those measures as a part of a whip-around of the States. The Commonwealth pays half and the other jurisdictions involved in the Ministerial Council of Energy pay in proportion to population. I do not think that is enough money to do justice to the energy efficiency task. But with the Prime Minister's Taskforce on Energy Efficiency and other things, we are still waiting to see what happens.

I must say that in a small jurisdiction like Tasmania it is difficult to mount energy initiatives off our own bat. Each program has a significant set-up and organisational cost and it is more cost-effective if it is really a part of a well-designed national initiative.

**Ms FORREST** - The question is, I know the Federal Government rolled out what seems to me to be a similar program where someone would come to your house and assess your energy efficiency and advise you on what you should do, like putting batts in your ceiling or whatever it is. How is this plan the Premier announced different and is there money for it somewhere? It is probably not your area - the minister may be able to answer it - but if you identified that a house

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needs insulation and a range of other things like pelmets on windows, it is all well and good to say, 'You need this, this and this', but you then have to go and find your own money to do it.

**Mr VAN DE VUSSE** - Those sort of measures have been done in other countries and in other places and have been shown to be very effective at helping people most in need to reduce their energy consumption and improve their comfort levels and associated benefits like health. In a famous example - I think it was a University of Tasmania masters project conducted on a trial house in Tarooma - they showed that only a few thousand dollars could make a huge improvement to the quality of life -

**Ms FORREST** - That is if you have the \$2 000 to do the work.

[2.00 p.m.]

**Mr VAN DE VUSSE** - Yes, if you have the \$2 000, but it is very cost-effective. Even with draught-proofing, people do not realise that they are paying good money for heat that is going out of holes and all the rest of it. We have an interdepartmental working group with climate change and others that have been very keen to see something like this progress in Tasmania. I understand there is some money in the Budget but it is not in my area.

**Ms FORREST** - So you do not have anything to do with that initiative, is that what you are saying?

**Mr VAN DE VUSSE** - Only advice and design and that type of thing. As Mr Rutherford mentioned, we are a policy unit; we have not been set up to do program delivery. But we are very supportive of it.

**Ms FORREST** - An interesting thing is that the Federal Government rolled it out and it did not seem to go anywhere; it seemed to die a natural death. How is this program different?

**Mr VAN DE VUSSE** - From discussions at the working group I mentioned, we have identified that it is very useful to involve people with on-the-ground resources, such as the Council of Social Services or Anglicare and so on. A year or so ago we sponsored a PhD project at the University of Tasmania which did analysis on a similar program run by the Glenorchy Council some years ago. They interviewed the participants and learnt about things that worked and did not work in a program like that. But I think that it is a very good place for energy efficiency to start.

**CHAIR** - In regard to 2.1 - energy policy and advice - one of the dot points down the bottom of page 6.16 talks about renewables. Could you give us an update on what renewable projects are on the drawing board at the moment and the Musselroe development - where are we at with that? That seems to be in a stop-start situation.

**Mr GREEN** - Given recent agreement between Hydro Tasmania and China Light and Power to end their joint venture in Roaring 40s, Musselroe is now fully owned by Roaring 40s, or is getting very close to signing off - actually, it was last night. That means that it is now fully owned by Roaring 40s Renewable Energy Proprietary Limited which itself is fully owned by Hydro Tasmania.

**CHAIR** - So, possibly a start time?

**Mr GREEN** - I cannot give you a time exactly that it is going to start because that sale process has just been completed and Hydro Tasmanian needs to get itself into a position to finance it and start construction.

**CHAIR** - So it is looking more positive, do you think?

**Mr GREEN** - From our point of view, we are positively endorsing the project and we want it to go ahead. We have made that very clear.

**CHAIR** - Can you remind me again of what the output is?

**Mr GREEN** - It is 168 megawatts of generating capacity - 56 wind turbines.

**CHAIR** - Compared to Woolnorth?

**Mr VAN DE VUSSE** - It is similar - 180 megawatts, I think, including the various components. They are comparable in size, in any case.

**CHAIR** - So with regard to renewables, we know we are the jurisdiction that has the highest percentage of our energy generated by renewables. Where do we sit at the moment percentage-wise as a component of renewable energy? What are we, 80 per cent or something like that? I suppose you have to take into account the Basslink factor of juice coming back across. Where do we sit at the moment?

**Mr GREEN** - The advice that I have had is that it is at least 80 per cent or a little higher. We have lots of water.

**CHAIR** - Yes, and I suppose you will be pleased to tell me what the Hydro storages are at the moment - the levels?

**Mr GREEN** - We are at about 45.

**CHAIR** - What did we get down to, the high 20s?

**Mr GREEN** - No, it was much lower than that.

**CHAIR** - So things are looking good. There is water in the dams and money in the bank.

**Mr GREEN** - The trouble is that there is a lot of over-capacity which come on around the country and if it had been during the drought years and we had this much water we would make an absolute fortune, but things have not quite converged.

**Mr MULDER** - You cannot have both a drought and full dams.

**Mr GREEN** - No, I am just saying about the heatwave conditions and all the rest of it, if we had all that water in the bank.

**Mr WILKINSON** - What is the ideal with the height of dams?

**Mr GREEN** - I guess 100 per cent.

**Mr WILKINSON** - If you had 100 per cent you would see what happens in Queensland. So what would people be looking at as being a good storage to have?

**Mr RUTHERFORD** - We are developing a careful modelling of this. We have the difficulty that in the past we relied on Hydro to provide the modelling of the energy situation in the system. The Hydro storages are still the critical part of our energy system, but they cannot have responsibility for modelling the operations of a competitor. So one of the things that we have been doing is developing a model, using a model that Transend has, which we have tracked against and are still doing further work on. It still has some way to go, because it is very complex. The problem is, the target of the storages varies with the time of year and other situations, and you cannot just have a target for the average because you have to have a target for mid-size ponds, in particular, as well as the big storages. Talking averages, it is still below what we would like. We have an active water storage advisory group that meets regularly to look at the supply situation. I am pleased to say that when we meet now it is all smiles and jocularly at the rising levels and not as it was when we were sweating that we might be having to look at rationing. It is still the case that a couple of dry months can send us fairly quickly down to a difficult-to-manage situation.

I suppose we are still trying to get, in a very complex system, a better notion of what the triggers would be for intervention measures. Just making a rule of thumb, I would be much more comfortable sitting around upper sixties, than I am upper forties. I agree with you entirely, Jim, that the target cannot be 100 per cent.

**Mr GREEN** - I should have said full.

**Mr RUTHERFORD** - No, it is an inventory.

**Mr GREEN** - That they operate on a full level. A lot of lakes operate full now, and there is an issue with a number of lakes, particularly the bigger ones: Gordon, for example, has really never, ever been full; despite the work that was done on Great Lake to lift the level, it has never achieved its full level. So there is a lot of capacity still.

**Mr RUTHERFORD** - There is a lot of capacity, that is right, and certainly with the major storages we would be very comfortable if they were brimming. We are fairly confident we are rebuilding. The system is much better insured with Basslink and the gas station there, and the prospects for trading over the link continue to improve. I think people have not appreciated enough that over the last decade, at least, there has been a significant change in the pattern of demand on the mainland. Their peaking needs continue to grow faster than their base level needs. Some of that is the well-known onset of affluence in Victoria, an experience I think the Victorians have found unusual.

**Mr GREEN** - Since the gold rush.

*Laughter.*

**Mr RUTHERFORD** - That has led to a much greater take-up of air conditioning. That is the thing people focus on. What is not focused on is the way the Victorian economy has transited towards a more service-based economy. As you move to a more service-based economy you move away from the continued process that puts a baseline in your demand to a much peakier

demand. That is great news for Hydro Tasmania and great news for the continued operation of the link.

**Mr WILKINSON** - Looking at 44 per cent - or whatever it is now - and feeling comfortable with it if it was in the high 60s, what are your estimates in relation to that, with what you know about what is going to happen over the next twelve months?

**Ms FORREST** - How much is it going to rain?

**Mr WILKINSON** - Rainfall-wise, yes.

**Mr RUTHERFORD** - On the average inflows the storages can continue to build. We are looking at a -

**Mr GREEN** - We have Great Lake shut off at the moment.

**Mr RUTHERFORD** - We did imagine, and it may yet happen, that we would get over 50 per cent this year. It has been a bit of an ongoing game in the agency, trying to guess the timing of when it would get over.

**Mr VAN DE VUSSE** - At this time of the year it is important to run down the northern headwaters in anticipation of winter rains and snow melt and that type of thing, and minimise the risk of water spill in the event of heavy rains. Over the course of the year you would expect total energy in storage to fluctuate by plus or minus 10 per cent as part of normal hydrological management.

**CHAIR** - The minister mentioned Great Lake and that there is still work being done at Poatina. What is the level of the Great Lake at the moment just as a matter of interest? I drive past it enough and it is always up. No? It does not matter? It is all too much?

**Mr GREEN** - It is coming up, obviously more.

**CHAIR** - Yes, I have noticed that myself.

**Mr GREEN** - What is the level of Great Lake? Do you know?

**Mr VAN DE VUSSE** - I do not have it to hand. I am sure we could get it for you.

**CHAIR** - Put that question on notice. I need to know because people ask me and I do not know.

**CHAIR** - Are there any other renewable types of energy we are looking at? There is geothermal. There have been people drilling holes in the ground - is there still potential in that regard?

**Mr GREEN** - Yes there is potential, but when you talk to the people who were looking to drill, really they are talking about a baseload energy supply, it would be that significant. You would need to make sure that you had all the rest of your processes in place: all the transmission and the ability to sell that energy, because it would be well above the demand of what is required

in Tasmania at the moment, unless we had another major industrial or a couple of industrials come on board.

We certainly encouraged them to get holes into the ground as part of that. The east coast geothermal proposal is 1 150 megawatts, which is a significant amount of energy if it were to be produced in Tasmania. Of course the pulp mill would produce 60 megawatts of cogeneration using wood and black liquor when it is built, which is renewable.

**Ms FORREST** - I thought it was 90 or 96 when they first proposed it so that has changed.

**CHAIR** - It was.

**Mr RUTHERFORD** - Is that gross or net though?

**Ms FORREST** - I am not sure.

**Mr VAN DE VUSSE** - That is export output.

**Ms FORREST** - Okay, right. I think it was 96 they were producing, yes.

**Mr RUTHERFORD** - Yes I think that is right.

**Mr GREEN** - They would be running the plant as well.

**CHAIR** - Depending on what happens with forestry matters, which I am not going to go into now, what happens down the track? There is a capacity for biofuel that a lot of other countries are using at the moment. Is there potential there?

**Mr GREEN** - Great Lake you will be pleased to know is at 36.8 per cent.

**Mr GREEN** - I thought it was about 34 per cent.

[2.15 p.m.]

**Mr RUTHERFORD** - Given that we were at levels where we were worried about turbidity, that is how low we got during the drought with Great Lakes.

**Mr GREEN** - And certainly at Arthurs Lake prior to that there were turbidity problems. Almost back to the original lakes. It played havoc on my propeller hitting all those rocks there.

**CHAIR** - Getting back to biofuels from forest waste, Minister.

**Mr GREEN** - There has been quite a bit of discussion about biofuels, and often people use it as some sort of mechanism to talk down the forest industry, but effectively biofuels have been used in Tasmania for years and years. The mill that I worked in for most of my working life prior to becoming a member of Parliament used wood waste to fire its boiler. It has been ongoing for a long period of time. At a Commonwealth level, particularly amongst the Greens senators, there is a resistance to bioenergy being part of the mix here in Tasmania. But, having said that, if we get a large downstream processor up in a pulp mill, then it will be generating energy from black liquor and waste wood.

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**CHAIR** - About risk management and response preparedness for any large scale disruption to energy supplies, including petroleum products: say we have a major catastrophe in the Middle East, a war breaks out and suddenly we cannot get any fuels in. What is the department doing about a crisis like that?

**Mr GREEN** - Obviously we have gas.

**CHAIR** - Yes, we still have power. What about motor vehicle fleets and everything else?

**Mr RUTHERFORD** - We do have an emergency management plan in place, and naturally, of course, if supplies are compromised you have to move very quickly, according to the stages in a well-developed plan, in order to ration the fuel you have for the period you expect -

**CHAIR** - Do you have a strategy?

**Mr RUTHERFORD** - We most certainly have because, as you would appreciate, there is a very careful hierarchy of need. You must be able to keep your medical practitioners and ambulances and things running. Yes, of course it would compromise normal private car use, although depending on the nature of the emergency we have a system that would grade that. Quite a lot of work has gone into developing a plan.

**CHAIR** - And, through the Minister - Mr Rutherford may well be able to answer - we have huge amounts of natural gas supplies, which are indigenous to Australia. Some of the petrol and diesel we consume at the moment can be replaced by CNG, LNG et cetera. Do you have any policy regarding that sort of issue? Do you look at that sort of issue: we have the gas pipeline coming across, we have the gas, can we use it to our advantage as a strategic ploy against imported fuels?

**Mr RUTHERFORD** - I think, as the director just advised me, the main investigation into that at the moment is through the oil price vulnerability study. We have keenly looked at various options for conversion of various enterprises, but we have yet to find interventions that stack up in a cost benefit sense. Until relatively recently, the Commonwealth Government did not take much interest in what used to be called energy independence; particularly strange given that the committee of inquiry into Australia from 1965 gave great prominence to that sort of issue. It seemed to become the 'forgotten man' of national policy.

**CHAIR** - Peak oil keeps moving on, does it not?

**Mr RUTHERFORD** - The issue of a sharp rise in the price of oil and its potential for major economic disruption is a real one. Whether or not it is due to the particular circumstances sometimes alluded to in peak oil, where you get a level of production falling away, we have to recognise the prospect of sharp rises that can occur and their potential impacts on an economy that is extremely transport-dependent, as Tasmania is. The oil price vulnerability study goes to the heart of the fact that we are a very imported-petroleum-dependent economy. I like those stickers on the trucks that say, 'Without us Australia stops.' I agree with them. It is a problem.

**CHAIR** - We have the LNG plant at Westbury, which is a good alternative, but am I correct in saying that the Federal Government is now looking at putting excise on gas supplies like they do on petrol and diesel? Commonwealth governments like to tax, which could be a dampener on that whole industry.

**Mr RUTHERFORD** - I am not aware of that.

**CHAIR** - If you go to Brazil, for example, you can take a mixture of fuel at the pump, going towards ethanol. Are there any opportunities there? Studies have been done in the past in an agricultural sense about growing crops for ethanol production.

**Mr GREEN** - And even trees.

**CHAIR** - Is it something that your department or this department is looking at, once again, to give us some sort of protection?

**Mr GREEN** - I am advised - I mentioned that forestry is an important part, and Private Forests Tasmania, which we might get onto soon, have a contact that they would like me to talk to about that very issue. It is one of those chicken-and-egg things; you know you can do it, but somebody has to set up the plant. Normally we want the Government to set up the plant and it is a bit difficult.

**Mr VAN DE VUSSE** - We should probably get electric vehicles, including electric vehicle hybrids and fuel pluggables in that whole equation. Normal sale of electric vehicles is coming around the corner. It is interesting.

**Mr GREEN** - Somebody was saying there is a new technology, somebody has just brought it out or invented it. I did not see it, but apparently you drive into the service station and something happens under the car, one battery goes out and another one goes in, it all happens in the blink of an eye and it is quite amazing, instead of worrying about charging your battery up overnight.

**Mr MULDER** - There are 9 million bicycles in Beijing, so the song goes, but I think at least three-quarters of those are powered by batteries. They are everywhere.

I noticed in the overview the minister was very keen to point out how we were very keen to drive down the price of electricity, particularly for Tasmanians. I also note that the recent 11 per cent tariff increase granted to Aurora by the Economic Regulator has basically rubber-stamped Aurora's submission because it was simply dealing with throughputs. What, in terms of energy policy, mechanisms exist or should exist to get management or efficiencies within these State-owned monopolies?

**Mr GREEN** - Aurora effectively is responsible for writing the accounts to customers. The calculations of the regulator prices are a combination of energy price, transmission price, distribution price and the retail margin and the cost to serve. The retail margin is actually quite low compared to all of the other costs associated with energy delivery. The margin and cost to serve are set by the Tasmanian Economic Regulator with reference to national benchmarks. Distribution and transmission are determined by the Australian Energy Regulator and the energy price is based on the long-running margin of cost. We had a debate about the history of long-run marginal costs in the other place on Monday, which is a whole different debate. But necessarily, long-run marginal costs calculations exist in other States of Australia, including New South Wales and South Australia.

Aurora combines those pass-through costs, most of which are determined through other regulatory processes and puts forward a proposal to the regulator in terms of the retail price to



cover costs. In relation to Aurora, because the regulator makes allowances with reference to national benchmarks and not its own cost this mechanism drives efficiencies. Aurora's own costs are more than what the regulator allows and the additional costs cannot be recovered from the customer. So if it is above then they cannot be recovered. I think that it is an easy argument to run about a very complex set of arrangements in place. Aurora gets blamed for lots of things but in the end the main costs associated with energy is generation and transmission. That is what makes up the costs.

**Mr MULDER** - That is in there. It is a State-owned corporation, but how do we know whether Aurora's profitability is being sucked in because it is not efficient?

**Mr GREEN** - I am satisfied through the corporate plan that Aurora is taking steps to continue to be as efficient as it possibly can be. I think that from a distribution point of view there has been a different slant taken by the new manager, which is having a fairly dramatic effect on the way that the business is being run. I think in the face of the scrutiny that Aurora faces through the Government business enterprise scrutiny process and the role that the board plays it is absolutely incumbent on them to be as competitive as they possibly can be.

As a Government, we have taken and adopted a position that we will introduce competition in a measured way and we are at the final stages of that now. The next step is for full retail contestability, but the work that the regulator has done allows us to understand that there is a cost associated with that full retail contestability. It is true that Aurora has to be in a position to provide as efficient a service as it possibly can. But in saying that, we as a government are still not confident that moving to full retail contestability would save people money. In fact, the advice that we have had is that it would probably cost more. Otherwise we would be doing it right now. All of those things are in play. I do not think it is reasonable, given the cost, the production of energy, the transmission and distribution of energy is by far the most expensive component of your energy bill. Sure, they have to be efficient, but they should not incur quite the wrath that they do with respect to their impact on prices.

[2.30 p.m.]

**Ms FORREST** - It has been suggested that one of the potential challenges or problems with going to full retail contestability is the fact that in Tasmania we do not have competition in the generation sector. Even though we have Aurora that own the Tamar Valley power station, or whatever it is called these days, and Hydro, that is not really competition because Hydro will always undercut Aurora in that in setting up Basslink.

**Mr GREEN** - A good example of that is that in New South Wales they still work on a long-run marginal costing. In South Australia they do. In Victoria they do not, and they have a fully mature competition regime existing there at both generation and retail. I think they have 16 retailers.

**Ms FORREST** - How many generators? Some of them are gentailers, I know that.

**Mr GREEN** - Yes, some of them are gentailers. There would be 10 or so.

**Ms FORREST** - So in that case, for Tasmania to actually go down that path of full retail contestability, what do you intend to do to try and provide or work toward competition in the generation sector if we are really going to progress this?

**Mr GREEN** - That is where Tasmania is in a difficult position, because it is hard to attract other generating - we have Basslink.

**Ms FORREST** - That does not generate, though. They just distribute.

**Mr GREEN** - No, but we are connected to generators and that allows for some competition, I guess, from that point of view.

**Ms FORREST** - But we still have to be able to generate in Tasmania to have competition.

**Mr GREEN** - Yes, I know, and that is the difficult part of it. I guess other than those other options in the renewable area it is pretty difficult to see how you can increase the generation capacity. And this is where the expert panel comes in. It may be that they think of ways to do that, but of course the business enterprises themselves would be -

**Ms FORREST** - Do you agree then that full retail contestability is unlikely to be a cost saving to the average mum and dad user out there unless we have a genuine competitive generation sector?

**Mr GREEN** - I think that is certainly an impediment, definitely. It is important to remember that retail is only 8 per cent of total cost.

### **Output group 3**

#### **Mineral resources management and administration**

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

**Mr GREEN** - I have here Michael Leonard. This is Michael's last appearance before a committee because he will be retiring on Friday.

**Ms FORREST** - I acknowledge Michael's last appearance before the committee. I know how much he has been looking forward to this for lots of reasons.

Minister, what impact would you like to say these measures have on this output group, in particular how the budget saving strategy impacts on the workers in your department with regard to the support of exploration and the land and tenement management?

**Mr GREEN** - The secretary talked through this at length when we were in the other place. Essentially, from the Budget's point of view we have worked with MRT to understand - and I haven't got the actual papers in front of me with respect to the changes for MRT as a result of the Budget - but what we are looking to do is go through a renewal process, because there have been some significant retirements in recent times and we want to engage as much as we possibly can with the university as to how we can continue to improve in that area. Michael, do you want to build on what we are doing other than that?

**Mr LEONARD** - As the minister said we are going through a generational change. We are in some cases attempting to bring on board some graduates. We currently have two that we are planning on bringing on board, one looking at geothermal geology and the other one in the tenement inspection area, particularly on the mining inspection area. We will see over the next 12 months a number of other people who will retire for various reasons, most of them reaching

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that point of age where they need to move on. We are aware very much that our first responsibility is to the administration of the act and the things around that. We have done reasonably well, despite the global financial crisis, in the number of applications and exploration, and for mining leases that we have had. Currently there are 602 mining leases and 247 of exploration licences in this State.

During the last year we received 22 applications for new mining leases - 23 have been granted because there was one that was carried forward - and in exploration we received 66 exploration applications of which so far 47 have been granted, some are still being considered. We released for further exploration over 72 areas, which is the largest we have done. The previous year was 50.

Overall, we have a good group of people administering mining and the tenement areas, and we have started to look at working with the university going forward to bring on board some of the people within CODES who are graduates to get them to assist us in looking at various parts of western Tasmania. At the same time, we will mentor some of the students in the hope that they will want to have an ongoing long-term relationship with the mining industry, particularly in Tasmania and with Mineral Resources Tasmania.

**Ms FORREST** - Can you tell me how many staff actually work in the department now?

**Mr GREEN** - I have the number here, 48.6 FTEs.

**Ms FORREST** - How does that compare with last year?

**Mr GREEN** - Sorry, the head count position is 50, you are right Michael. I do not have the total for last year, sorry.

**Mr LEONARD** - We lost three at the 30 June, so about 53 last year.

**Ms FORREST** - You have answered some of my questions about the current exploration licences and leases. Have you got a figure on how much has been spent in exploration?

**Mr GREEN** - I am sure we would have. While we are looking for that, I will just hand over a document that honourable members might like to look at. It is actually the document that is being used to promote Tasmanian mining in Perth as we speak, at the conference there. It is useful information.

**Ms FORREST** - What is happening in Perth at the moment?

**Mr LEONARD** - In Perth there is a conference being run by AMEC. We have two of those people currently at that conference - Geoff Green and one other who is a geologist.

**Mr GREEN** - Reported expenditure on mineral exploration in Tasmania to the 31 March 2011 was \$34.7 million. That is up 129 per cent on the \$16.3 million, 31 March 2010. Over this period Tasmania's share of the national expenditure increased from 0.78 per cent to 1.31 per cent, the highest rate of increase of any jurisdiction and over 12 times that of South Australia, which recorded the second-highest rate. As was said, this is a clear indication of the strength of the mineral exploration and reflects a large number of major exploration projects, many of which are proceeding to the mine planning stage. Which is very encouraging.

**Ms FORREST** - That was my concern with the current budgetary issues that we would see less exploration. Obviously the capacities remain within the department to maintain it.

**Mr GREEN** - Yes.

**Ms FORREST** - This leads me to another really important area. I think that everyone is well aware of the process around native forests at the moment. In my mind, in lots this is a land use issue. Some of the environmental groups have made it very clear that their next target is the mining industry after they, successfully as they see it, lock up another swathe of Tasmania. A lot of these areas where forestry is active are also where mining is - particularly in the north-west area. We hear Bob Brown say that he will not agree with any sign off on statement of principles or anything unless there is 573 000 hectares locked up as national park and we know that would mean the death of the mining industry. What are you doing, Minister, about the really serious and very disturbing threat?

**Mr GREEN** - I agree. That is unacceptable. We cannot accept that as a position to go forward with. That is why we have indicated to Bill Kelty through this whole process that there has to be an overlay of the mineral resources in Tasmania and potential mineral resources in Tasmania before any decisions can be made about the conservation of forest. I say that in the context that there are of course conservation mechanisms that still allow for mining in particular areas and we all know that. That is absolutely at the forefront of our mind. I agree with you, people are trying to do their best to undermine the credibility of the mining industry. All I can say is that, you were at the Hellyer opening, Basil O'Halloran was at the same launch and -

**Ms FORREST** - Did he get the same message as we got?

**Mr GREEN** - I gave him that message and I am sure that many other people would have given him that message on that day about the mining industry these days, the footprint of the mining industry, the way they conduct themselves environmentally, all of those things taken into consideration, given the wealth generation of the mining industry of which the Greens also argue ought to be distributed solely on the west coast as opposed to anywhere else, which is an interesting conundrum they have. I think that he recognises, certainly as a Greens member in the north-west, that mining is important and can be done in a way that has minimal effect on the environment.

**Mr WILKINSON** - Am I right in saying, to cut you short, it was worth \$1.1 billion last year?

**Mr GREEN** - Yes, that is about 50 per cent of our total export. It is very true that it is a very significant industry for the State. Despite what people are trying to suggest, the State is open for business when it comes to mining.

**Ms FORREST** - The risk is though that if there is a threat, it could hit the exploration. Why would a company spend millions of dollars on exploration, as they do, if there is any risk they are not going to be able to proceed even if they strike gold. This is the issue.

**Mr GREEN** - We are not going to accept land tenure arrangements that have an effect on our mining industry. There may be areas of the State that we can offer a different status to in those areas where it is heavily mineralised and that is not the Government's position.

[2.45 p.m.]

**Ms FORREST** - So do your Greens colleagues in Cabinet have a similar view to you?

**Mr GREEN** - They have been advocating a national park and we have our differences on a range of issues. They have been advocating a national park for the Tarkine area, and we do not agree with that.

**Mr WILKINSON** - We have to be more than Macquarie Island, have we not, and that is what it is going to. You cut out your forestry, you cut out your mining, you cut out this, you cut out that. What is left?

**Mr GREEN** - Rabbits and rats down there.

**Mr WILKINSON** - Rabbits, rats and feral cats, that is right.

**Mr MULDER** - And no references to ditches apparently.

**Mr GREEN** - That is a good point. I agree with it.

**Ms FORREST** - I want some sort of confirmation of a commitment to do whatever you can to -

**Mr GREEN** - No, I have had this discussion with Mr Kelty himself, where we had the maps as an overlay, and that is our position going forward.

**Ms FORREST** - Can you also provide some information about the amount of the Budget that is spent on travel, and where to - for overseas but not intra or interstate travel.

**Mr GREEN** - Mineral Resources Tasmania year to date total expenditure on travel was \$124 000. Interstate and overseas travel expenditure to 16 May 2011 was \$72 000. The purpose of the travel was for MRT staff to attend promotional trips, seminars, training, ministerial committees and working group meetings. The majority: \$44 500 of MRT's total interstate and overseas travel expenditure was related to the West Coast Mine Marketing Program which was funded by the Government under a separate budget allocation. Intrastate travel expenditure as at 16 May 2011 was \$51 000. The purpose of this travel includes: field work relating to the collection and verification of data; administration of tenements; work relating to rehabilitation of abandoned mines, and royalty audits. I can give you a breakdown: airfares \$27 000; accommodation \$21 000; other travel expenses \$12 000; seminar and conference fees \$7 000; training \$5 000; total \$72 000.

**Ms FORREST** - Just on the matter of the abandoned sites rehabilitation, you would be aware that National Heritage Trust funding of \$7.2 million was committed by the Australian Government in December 2004, and there was a memorandum of understanding between the Australian and Tasmanian Governments to contribute to the cost of a treatment plant for Mt Lyell acid drainage remediation. The cost to date and the remainder for the treatment plant would have come from the Tasmanian Government. The Commonwealth Government requested an independent review of the project, which was arranged through DPIPWE during 2009 - I know that is crossing across areas here. But what were the findings of this review as to the remediation at Mt Lyell?

**Mr GREEN** - I do not know.

**Mr LEONARD** - We do not have access to that. It has been managed totally within the Department of Primary Industry and we have not had any access or been given any advice on it. All I know is that in talking with the management at Copper Mines, they are extremely happy with what is happening. They have changed a lot of the water flows within the mine site. They have captured most of the acid drainage run-off that previously just went straight into the creeks and rivers, and are treating it using the funding, but the actual reporting on that project has been looked after by the Department of Primary Industries and we have not actually had a direct involvement.

**Ms FORREST** - The next question may fall into the same category, because I know that the Commonwealth minister in mid-February 2010 contacted the State and said that the Natural Heritage Trust funding was to be reallocated to the Fox Eradication Program, which I am sure Mr Dean was very happy about.

**Mr GREEN** - His name comes up a lot when it comes to foxes.

**Ms FORREST** - Yes, funny that. Copper Mines of Tasmania were notified on 26 February 2010 that the funds were being withdrawn. I understand that you, as Minister of Primary Industries, I assume, wrote to the Commonwealth Minister expressing an objection. Did you get a response from the Commonwealth about this?

**Mr GREEN** - Well, one, this was before my time; two, if it were here and now, it would be Minister Wightman and not me. If you were operating under the combined portfolios as David Llewellyn was, well then it would have been. In other words, given that I am trying to think back, can I put that question on notice and provide an answer to you?

**Ms FORREST** - Yes. I am interested in the feedback from the Commonwealth here because I know CMT, Copper Mines of Tasmania that is, did not receive any feedback. It is an issue that this significant funding that was there for a purpose, to deal with the remediation -

**Mr GREEN** - Funds were withdrawn from the remediation?

**Ms FORREST** - Yes when the Commonwealth -

**Mr GREEN** - I know. I remember this. It is just to make sure that we get the right -

**Ms FORREST** - decided to reallocate the funds. What was the feedback from the letter that the Minister wrote to the Commonwealth regarding the withdrawal of funds from the Mt Lyell remediation project and re-allocated to the Fox Eradication Program? I am asking what feedback there was because Copper Mines have not received anything.

**Mr GREEN** - The minister wrote to the Commonwealth and the question is whether we got any correspondence back and what that correspondence was?

**Ms FORREST** - Yes. This may be getting outside the area but it does cut across. Are you aware of any plans, Minister, to re-establish divisional funding to allow for water treatment and improvement of the downstream environment that was originally included under this project?

**Mr GREEN** - I am not aware of any. It would be a -

**Ms FORREST** - Under Heritage?

**Mr GREEN** - You would have to apply again to the Commonwealth, I would imagine. Did you ask a question specifically about re-mining the product?

**Ms FORREST** - No.

**Mr GREEN** - Okay.

**Ms FORREST** - One of the announcements in the budget was an increase of mineral royalties. I do not think that has been poorly received by the industry because as I understand it, it will apply to the profits base of the industry. Our royalties are determined on more than one aspect, on the amount taken out of the ground.

**Mr GREEN** - It is not a profit; it is a profit-based -

**Ms FORREST** - Profit-based section of it, yes. Minister, can you explain how you intend to work with the industry to progress this increase and ensure that it is done in a way that is inclusive of the industry.

**Mr GREEN** - Yes, well we already have, through the Secretary of the department, had discussions with the industry prior to the Budget being announced. That consultation will continue with respect to the way that the royalty is implemented. The meeting is going to take place this Friday, I am just advised. I will get some feedback with respect to how those discussions went.

**Ms FORREST** - Do you support at all the royalties-for-regions type approach?

**Mr GREEN** - I guess given the budget circumstances of Tasmania and of Australia, I am of the opinion that where there are huge revenues coming in to some countries, Australia should be in a position to take advantage of some of that.

I know that that had minimal effect on Tasmania's mines last time. Suffice it to say that there was a big argument about it. I am talking about this in principle now. I am talking about it from the point of view of looking at what the Commonwealth is doing as opposed to being able to have any influence over the effect because we have made our decision about the royalty increases for Tasmania and what we deem is a fair share. However, I certainly think it is a legitimate debate to be having on the national scale - like going to Western Australia and seeing the investment. It is fantastic, there are huge gains to be made. Whether the nation should benefit a little more from that is the philosophical argument the country has to have.

**Ms FORREST** - In the State then, I think the Greens have a platform of the royalties going back into the region they originated from within Tasmania. What is your view on that?

**Mr GREEN** - We do not agree with that concept at all. In fact we think it is silly.

**Ms FORREST** - On what basis?

**Mr GREEN** - It is just you have to have an equitable distribution of wealth across the whole State. If we orientated money back to where it is actually generated very specifically, it would be unworkable. In fact, they would probably get less overall if that was the only money they wanted to use. Say we distribute all the earnings from the tourism industry on the east coast, if there is a lot of money - it is unworkable.

**Ms FORREST** - I agree with you.

**Mr GREEN** - I know you do.

**Ms FORREST** - This is another bone of contention.

**Mr GREEN** - I said that to the Greens anyway. It sounds good, but it is silly. I think Western Australia will really struggle to fulfil their obligations; the commitments they have made to spending revenues generated in regions on regions. What are they going to build, these monolithic regions? Then when the mining industry is gone they will have to dismantle them all or something like that.

**Ms FORREST** - Ship them down to Perth. You could easily transport a swimming pool to Perth could you not?

**Mr MULDER** - To follow up on a point, I think you have already made this commitment but it was not as clear as I would have liked to have heard it. Is it an unequivocal commitment that additional reserves under the agreement will not be given national parks status? That is the thrust of the question.

**Mr GREEN** - There are some areas of the State adjacent to world heritage areas now, that if there is a decision made in the future could have a different status, that do not have an effect on our ability to mine our mineral resources. We understand the mineralised areas of the State very well and we can make sensible decisions about land tenure issues as a result of that. I am very confident that we can do that. We understand it. But we are not going to compromise on it.

**Mr MULDER** - Bob Brown said that he would not support unless we put them in national parks. It was that statement that causes us the problem.

**Mr GREEN** - In the end it will be you, not Bob Brown, who makes decisions about the tenure of forests in Tasmania and the classification of conservation in Tasmania, because it will have to go through the upper House. It might be that if the Commonwealth wanted to override the State when it came to world heritage they have powers to do that and Bob Brown might support that position, but in the end they would not get much in terms of reserves and it would cause that many problems it just would not be worth it.

**Mr MULDER** - That is the point. You can say that I make those decisions, but I would not make them -

**Mr GREEN** - No, in the upper House in Tasmania.

**Mr MULDER** - What will the Government's position be? What will the Government be putting to this House?



**Mr GREEN** - We bring a position to the lower House when it comes to conservation, as is every other agreement that has been made with respect to conservation around forests, and in the end it is the upper House that either passes it or not. It would have to be done -

**Ms FORREST** - Thank God we are here.

**Mr MULDER** - We will take that as an endorsement of the upper House. The point I am trying to get through is that we are not going to find ourselves - the mining industry in particular wishes that that sort of an assurance - that we are not going to fold into Bob Brown in terms of national park status.

**Mr GREEN** - Bob Brown is not even around the table. I know he is going to be controlling the Senate.

**Mr MULDER** - Neither are we around the table of the forestry agreement, so we do not know what the parties are agreeing to.

**Mr GREEN** - No, you are not around the table. The people involved in the forest industry have been around the table. Now, it is up to governments to make decisions about whether what they have put to us is reasonable, and whether we can build an industry around what has been put to us.

[3.00 p.m.]

On that basis we would need Commonwealth support. If there are areas to go into conservation, those areas would have to pass through the Tasmanian Parliament, of which an important part of that in giving recognition to the upper House, is the upper House and that is as simple as it is. I am not trying to be smart about it or anything; that is the simple fact.

**Mr WILKINSON** - That is the biggest question mark over the whole mining issue at the moment, isn't it.

**Ms FORREST** - It is one of the biggest threats.

**Mr WILKINSON** - It really is and it is something that has gone pretty well unnoticed as far as the press are concerned at this stage. If you tie up those forests you are also tying up your mining and it will be a death knell to the mining.

**Mr GREEN** - With all due respect, though, on every other occasion where there have been discussions about forestry and conservation of forests in Tasmania, mining has been taken into consideration front and centre. That is why the mix of land tenure arrangements exists in Tasmania so as to accommodate the mining industry. I am not denying that people want a large part of Tasmania to be a national park, and they can have that view if they want. I cannot stop them having that view. But in the end -

**Mr MULDER** - What we are trying to get at is that any more national parks created under this agreement will not be national parks; they will be other reserves. That will not impact upon the future mining.

**Mr GREEN** - That is what I said.

**Mr MULDER** - That is the unequivocal commitment that I asked you for.

**Mr GREEN** - That is the position that we would have to bring, otherwise it would not get through the upper House.

**Mr MULDER** - Thank you, you have given me what I asked for.

**Mr HARRISS** - Minister, somebody might be able to clarify some notes on page 6.11. They seem to be mixed up. If you have a look at note 10 it talks about the increase in that output primarily reflects funding provided for the forestry transition project. It can hardly do that under Minerals Exploration and Land Management. You might need to get somebody to look at that in conjunction with note 11.

**Mr RUTHERFORD** - I think the answer is straightforward. The note is wrong; that is not what it says under the individual outputs. It is just plain wrong.

**Ms FORREST** - So what should it say?

**Mr HARRISS** - Can somebody let us know, minister, and maybe get back to us and let us know what the note actually applies to.

**Mr GREEN** - I think it should start from 'the decrease' after the full stop. Okay.

**Mr HARRISS** - Just clarify it in writing.

**Mr GREEN** - Well picked up.

**Mr RUTHERFORD** - If you look at note 2 under table 6.7 under output group 3 it actually says:

'The increase in minerals exploration and land management outlook primarily reflects funding provided for the West Coast Geosciences Project and the Geotrail Feasibility Initiative.'

That is what the other note should have said.

**Mr HARRISS** - We will have a look at 11.

**Mr RUTHERFORD** - I would not like any conclusion drawn that that reflects the level of understanding of the differences between forestry and mining in the Treasury.

*Laughter.*

**Ms FORREST** - Let the record reflect that he said that without a tongue in his cheek.

**The committee suspended from 3.05 p.m. to 3.25 p.m.**

## UNCORRECTED PROOF ISSUE

**Mrs ARMITAGE** - Given the substantial investment that we have actually put in with over \$3 million annually in the promotion of Tas Timbers, what outcomes have you seen achieved over that period because of that investment?

**Mr GREEN** - They undertake forest certification projects in native forest products, fund forest contractors assistance project, support the statement of principles project, and fund a small team in DIER to lead a coordinate by the coordinator-general on the forestry transition.

**Mr HARRISS** - With respect, I do not think that is where Rosemary was going, was it? That was the timber promotion.

**Mrs ARMITAGE** - No. I want to know what actually came out of it, whether it was successful. I notice up here it says satisfaction, but what really was achieved? Was something really achieved? Or how do you measure what was achieved?

**Mr GREEN** - The funds that were earmarked for international promotion were transposed into the fund to accommodate all of the issues that I have just talked about, that is, the forest transition -

**Mrs ARMITAGE** - How do you measure your achievement, though? You have spent a lot of money on it. I am asking how you actually measure that you have achieved something for the money that has been spent?

**Mr GREEN** - Right at the moment the measurement it would not be looking so good, given that we have Triabunna shut.

**Mrs ARMITAGE** - That is why I am asking you. There is a fair budget there.

**Mr GREEN** - Yes, but we decided it was most appropriate to use those funds, as I have just said, to try to ensure that we look at the transition process with respect to the forest industry. A budget commitment of \$1 million per annum was in 2010-11 and 2011-12 for the Forest Industry Plan, and \$1.75 million per annum in 2010-11-12 for timber promotions. The Forest Industry planned expenditure in 2010-11 was \$600 000, principally to support the statement of principles. The remaining \$400 000 has been carried forward. A total of \$1 million of the timber promotions funds are no longer available due to budget savings - that is in the out years - \$250 000 in 2010-11 and \$750 000 in 2011-12. Some \$750 000 was expended in 2010-11 for the certification extension project for private forest growers to support the ongoing participation managed by Private Forests Tasmania to support the ongoing participation of signatories in the statement of principles.

[3.30 p.m.]

The current budget allocation of \$3.15 million for the forest transition project combines a reduced forest industry plan and timber promotions fund for 2011-12 and includes the additional \$1.15 million of unspent funds carried forward in 2010-11. We are working through a very complex area.

**Mrs ARMITAGE** - I understand that and I see that it reflects the completion of the initiative. Given the challenges facing the industry is there not a case for ongoing promotion of Tasmanian timber? What do you think about that? Is there a case that it should be continuing, considering that it is ceasing now and the problems that are out there now?

**Mr GREEN** - Forestry Tasmania spends quite a bit of time - and the reports that I get from the board indicate to me that there is a lot of work going on through that GBE - promoting forest products from Tasmania. Bob Gordon has just returned from Japan and China where he was promoting Tasmanian timber products. But suffice to say, despite what people might say politically here in Tasmania right at the moment the industry is finding it very difficult. How do I know that? Well, because the last Federal election was not fought on conserving more of Tasmania. The last election was oneupmanship with respect to who can provide the most help to contractors who are doing it tough in Tasmania. That is why the Commonwealth offered over \$20 million to assist them and we have had to chime in with \$5.4 million. It is a very difficult time. I understand what the honourable member is saying, now might be the time to be out there promoting the industry. I think the efforts of Forestry Tasmania to do that continue.

**Mrs ARMITAGE** - Given the government's saving strategies, are there any other impacts on this issue and if so can you provide some detail?

**Mr GREEN** - On our savings strategy?

**Mrs ARMITAGE** - Yes.

**Mr GREEN** - As I indicated we are actually making some savings from that area already as a result of this Budget. I read those into the *Hansard*: \$250 000 and then \$750 000 in 2011-12. That is the Budget so that is how it will stay.

**Mrs ARMITAGE** - Thank you.

**Mr HARRISS** - With promotion of Tasmanian timber products, did you read in a component there that has been transposed over to the transition allocation which was previously specifically Tas Timber Promotion?

**Mr GREEN** - The budget savings of a total of \$1 million came from the timber promotion fund, which is no longer available as a result of the Government budget saving. That is \$250 000 and \$750 000 as I indicated.

**Mr HARRISS** - What is the specific split or allocation of that please?

**Mr BLAKESLEY** - Those specific initiatives were announced in the budget 12 months ago as a direct result of the commitments made by the Government in the election just prior to that. That just preceded the whole statement of principles process. A decision was made at the time to put a hold on the programs that were envisaged at the time. That process has gone along for the full 12 months. When it became obvious that the Government needed to have some funding to support the process, that was the obvious source of funds. So there has been amalgamation in total of the dollars. They have been amalgamated and used to support the costs involved.

**Mr GREEN** - \$3.150 million.

**Mr BLAKESLEY** - DIER in particular had to fund to support that process. We have been waiting to see where that process goes to and so where the remaining money might be best allocated.

**Mr HARRISS** - The challenge in the past has been to address the penetration of Tasmanian timber into other markets interstate against the challenges of, for instance in housing construction, concrete floors. You know with the energy ratings in houses, I keep casting my mind back a couple of years. There was a specific promotion to ensure that Tasmanian timber was still seen as an energy-efficient building material for flooring as opposed to concrete. Are you telling us that there will be no ongoing promotion of Tasmanian timber products specifically for purposes like that, to enhance the opportunity for penetration of our timbers in other markets?

**Mr BLAKESLEY** - A lot of that work has been done through the Timber Promotion Board and their activities still continue. This initiative was a commitment the Government made to try and do more in that area at the time. Remember, at the time there were a lot of issues concerning the Green Building Council of Australia. They wanted to push timber in a certain way and Primary Industries Ministers at the time said that they did not support that and we had quite a success in that area.

The intent, certainly from DIER's perspective, was that if we had not had the Statement of Principles process we would have had a program to do all that. There has been a lot of distraction to people in industry who just have not had the focus on that particular thing and with our resources in the department, it has been all hands on deck to support the Minister in the Statement of Principles process. It has not been the highest priority thing over the last twelve months but we are hoping that -

**Mr HARRISS** - Is the Timber Promotion Board entirely industry-funded?

**Mr BLAKESLEY** - It is funded out of a levy. It comes under the Timber Promotion Act and is a levy of, I think, a dollar per cubic metre of all sawlogs off State forests. That goes into a fund which is managed by the Timber Promotion Board.

**Mr HARRISS** - In that respect then, since you have had this emerging situation on the back of the statement of principles process, exactly how many dollars have been removed from what would have been the Timber Promotion Board contribution and parked over into this transition forests account, if I can put it that way?

**Mr BLAKESLEY** - None of the money was ever identified as a contribution to the Timber Promotion Board. There were some ideas at the time twelve months ago that we were starting to be formulated about how that program might be run and some of the ideas were about working with the Australian Embassy and industry associations to develop material that would go into the Japanese and Chinese markets in particular to work to set up a bureau service. I cannot remember the exact number of dollars we had but part of that budget was \$500 000, I think, to support private forests certification and -

**Mr GREEN** - No, that was \$500 000.

**Mr BLAKESLEY** - That money has been allocated and has been transferred to Private Forests Tasmania who are in the process of implementing that program. So part of the money has been allocated and spent.

**Mr GREEN** - As I indicated, the current budget allocated for the forests transition project combines a reduced forest industry plan and timber promotion funding 2011-12 and includes an additional \$1.15 million of unspent funds carried forward from 2010-11. There is a straight

budget saving of \$250 000 in 2010-11 and \$750 000 in 2011-12 from the timber promotions fund. If you need a further breakdown -

**Mr HARRISS** - I do not think so. I think from being able to review the *Hansard*, that is about it. The \$1.15 million carried forward is a significant number and then, as you have just indicated, Minister, there are a couple of components of that. So the \$1.15 million, for me at least, is the most significant issue there that would have been otherwise likely, going down the track, to have contributed to promotional pursuits for Tasmanian timber. That has now gone to another area of focus.

**Mr GREEN** - That is true.

**Mr HARRISS** - Finally on that matter, because it did concern me and I was going to ask the minister for a response and I thought, 'Oh well, we have been told about the numbers'. Everyone understands that we have a structural problem with our expenditure and revenues. So, Minister, how do you respond to this proposition. If that sort of expenditure had stayed to specifically promote Tasmanian timber into other jurisdictions and given the multiplier effect that that has the capacity to generate, is that any different from the Government, quite rightly, continuing to appropriate funds for infrastructure projects? 'Quite appropriately' because we are not talking about recurrent expenditure there. The Premier was asked yesterday, when we were talking about expenditure on the Museum and Art Gallery, whether that could be possibly pared back a little back given the tough times we are in. Her response, quite rightly was, 'We have got a recurrent problem. Infrastructure problems aren't the issue. We still have to spend money and we still have to keep the economy going.' I put it to you, Minister, that the expenditure of such a small amount of money in the scheme of things, \$1 million, to promote a Tasmanian product has a huge multiplier effect in terms of job generation. So that sort of thing does not necessarily detract from the effort.

**Mr GREEN** - I think in an ideal world what you say is exactly right. I am not denying that at all but I guess my best response to you is that there has been a change in focus. We have an immediate problem that we need to deal with concerning the industry as it stands at the moment. Why is that the case, you might ask? A company, the largest company involved in native forests in the State by far has made a decision to re-orientate itself. As a result of that, we have to concentrate our efforts in a different way and that is effectively what we are doing. So, philosophically I absolutely agree with you but the funds that we have had within this particular Budget we have decided to re-orientate to a transition strategy.

**Mr HARRISS** - Yes and just one final observation, though it probably is part of the question as well. You have just indicated, Minister, that by far the largest player has made a commercial decision to go down a different track, but that does not mean to say that we ought to hang everybody else out to dry in terms of such a small number of dollars in the scheme of things to continue to promote what the vast majority of people in this State believe is a sustainable industry. My question would be then, 'Why wouldn't you use your best resources to convince your Budget Committee people that that is an insignificant amount but which has a huge capacity of a multiplier effect - \$1 million - to continue to promote our forests?'

[3.45 p.m.]

**Mr GREEN** - The situation that prevails means that by that large company exiting there is a void to be filled, not necessarily right now because of the inventory that exists within Tasmania to be sold into the market, but certainly over time there is potentially a large void to be filled with

respect to the largest player moving out of the hardwood sawmilling industry. Your concerns would be warranted if we were at full capacity, but given the situation that prevails, I do not think it is quite as critical. Having said that, I agree with you in principle and, like all of the decisions we have made so far, this has been very difficult.

## **DIVISION 6**

(Department of Justice)

### **Output group 10**

#### **Resource planning**

##### **10.1 State Architect -**

**Mr MULDER** - I thought the State Architect was one of those positions that Premier Bartlett had brought out in the good times; we needed all this because of Parliament Square and the Sullivans Cove Authority. We are through all those architectural stages, so - although I am sure there are some valuable things that this position could be doing - I am wondering whether this position is still mission-critical to a government trying to navigate through difficult economic times.

**Mr GREEN** - As you know, we are using the State Architect to assist us with the capital cities project, which is important as well. I am more than happy to bring the State Architect to the table. He can fill you in on a range of the other opportunities.

**Mr MULDER** - He might have a conflict of interest if I am trying to get rid of him.

**Mr GREEN** - No, not at all, I would not think he does. In fact I think I might invite you to the table, Mr Poulet. But in the meantime he was appointed as the first State Architect in 2009, and consistent with most other States. The role of the State Architect is to: advocate quality design and sustainable built outcomes across the State of Tasmania, not just in Hobart; provide strategic and independent advice to the Government on matters relating to planning, urban design, architecture and heritage; form a collaborative working relationship with State agencies and stakeholder groups to develop shared vision for the built environment, and develop best practice guidelines to create better and more sustainable urban environments and buildings. So it is a broad range of activities that the State Architect is involved in, but we have also asked him, as I have just indicated, to provide some support to us because of his expertise and abilities to assist us through the capital cities project as well. Can you expand on exactly what your role is, Peter?

**Mr POULET** - The role is fairly broad and the current thinking is to integrate across ideas, agencies and projects. A role such as the State Architect provides that. With the capital city plan a number of agencies and a number of initiatives need to be integrated to make sure that they are seen as consistent. That is what I am bringing to that project specifically. I think that it is advantageous to have somebody not specific to a discipline undertaking that role, because it does allow for a balanced view of all the competing issues.

**Mr MULDER** - Minister, I take that to be a yes, it is mission-critical to a government in dire economic circumstances.

**Mr GREEN** - We believe it is a very important role. In fact we would like to be able to fund it more.

**Ms FORREST** - Minister, how would you then, as minister, say we get value for money out of this position?

**Mr GREEN** - It was just described. The work that is being done to

**Ms FORREST** - It has been called - from some centres - for the position to be abolished. I am sure you are aware of that.

**Mr GREEN** - Yes. Most of the work that is being undertaken would require external consultancies, which would be a further cost. It is part of ensuring that we go forward in the best and most strategic way with all of the areas that I have talked about and I will not read them through again.

**Ms FORREST** - You may have this figure but you may not: you said that if you did not have this position to undertake the role that the State Architect undertakes, you would be using consultants in that area. Have you any idea how much you would have paid in consultant work in these areas previously?

**Mr GREEN** - The secretary has just advised that we have not calculated it but she believes it would be more. The current budget is \$256 000, project funding sourced from other governments was \$80 000 and project funding from UTas was \$15 000.

The secretary just reminds me that other agencies have been prepared to pay. Staffing in the State Architect comprises the State Architect, a recent graduate employed three days a week, half funding from UTas and additional project funding. Specific projects are staffed by staff made available from other agencies.

People are entitled to their views but I am very supportive of the role and I am very appreciative of the fact that we have Mr Poulet to assist us through what we need to achieve with the capital cities plan.

**Ms FORREST** - Is the State Architect involved in areas like housing developments?

**Mr GREEN** - I had to face a question in the lower House on Monday where somebody said, you have had some plans drawn up in Justice so why did you not get the State Architect to draw them up for you? It does not work quite like that.

**Ms FORREST** - I am not suggesting that.

**Mr GREEN** - He does have a role with Affordable Housing. In fact he has just finished design plan, but not drawn them up necessarily.

**Mr POULET** - If I could wind it back slightly I would suggest that the big advantage of having a role such as mine, and it is not specifically mine - it is a role that could be undertaken by the people - it is that is important that you have an independent voice that provides government, in a broad sense, with an opinion on the built environment and you cannot always buy that in because the private sector is always going to have a particular view that is not always independent. I would suggest that it is an advantage to Government to have somebody who can broker the peace in both directions, both as someone who understands the industry and someone who has some



understanding of government. I am not pretending to have a major understanding there, but a link there that often needs to be drawn so that you get good quality advice about the built in urban environment.

Specifically to the housing issue, on the strength of that capability I have been asked by Housing Tasmania to undertake a housing strategy for the State, which will be released in due course. That looks at making housing more affordable, more accessible to people and give a diversity of housing according to need, which we do not currently have. I think that sort of work is useful and very difficult to outsource.

**Ms FORREST** - If you were not providing that advice to Housing they would have to get a consultant to provide that?

**Mr POULET** - More than likely, yes.

**Ms FORREST** - So we are not just talking about consultants here, but across other portfolio areas there are potential savings?

**Mr POULET** - Yes and that is the advantage I bring. By being cognisant of other areas of government I bring that to that project.

**Ms HUTTON** - The other thing that I would draw out of the minister's words earlier is the important of sustainable design principles, nowhere more so than in a time of budgetary constraint. It becomes even more important to use your design dollars wisely. I have even called on Mr Poulet's expertise occasionally for procurement issues, because we do not have quite so much in-house procurement capacity any more. We used to have a Department of Construction that did nothing but. We do not have too much of that internal to government now, so it is very handy for me just within my own agency to be able to test those sort of questions on Peter. I am sure other agencies use him in a similar way.

**Mr POULET** - That is available to all other agencies. In fact I have, on projects mentioned earlier, worked with Treasury for example. They are skills that it is advantageous to have in-house.

**Ms HUTTON** - If I can follow up on that Ms Forrest - Peter will actually be on the steering committee for the next stage of the prison redevelopment. That is terrific for us, because that is a slot we would have had to pay for otherwise, out of project funds, whereas he has told me he will do that for nothing.

**Ms FORREST** - Pro bono work.

**Ms HUTTON** - Pro bono work, yes.

**Mr MULDER** - Do we have some quality assurances in relation to the prime purpose of a prison being met with the next round?

**Mr GREEN** - Nobody is getting out.

**Mr POULET** - We will keep them in, yes.

**Mr MULDER** - That would be value for money.

**Mr WILKINSON** - Just got to fix those toilets I understand, yes, that has been the problem. In relation to brokering the peace, that you say is part of your job, can you give me some examples please, over the last say 12 months, as to your work with brokering the peace between parties?

**Mr POULET** - As I said, I am engaged by individual agencies to help them negotiate with the private sector when it comes to procurement. That is occurring; only today I have been contacted by TasPorts to be part of their procurement team for a particular project. It is an understanding of how industry expects us to go about business, being transparent, making sure that the right decisions get made in terms of not only quality but probity as well. So projects such as Parliament Square did have a process in train, which was very thorough and efficient, but what I contribute in that process is an understanding of the inputs, an understanding of the requirements that will make sure that the project flows smoothly.

**Mr WILKINSON** - I understand that, that is stage 1. Stage 2, when there is a conflict, that is when you come in, I suppose, as you say to broker the peace?

**Mr POULET** - It has not happened in Tasmania in recent times but I have been in that role in other jurisdictions. That is when you do need an impartial voice that is going to help, as you say, broker the peace or make the right decision.

**Mr WILKINSON** - No, I was using your words with 'broker the peace' and I just wondered whether you have been doing that over the past year. You have not as yet but you are ready to go if the need is there.

**Mr POULET** - Yes, I have been involved in specific contractual issues, where contractors have decided that work needs to be done a particular way as opposed to how it is seen by those people procuring the work. That becomes ultimately a legalistic argument, which then gets deferred to people who then deal with that better. In the first instance, you try to see common sense and you try to show a process that is transparent to both parties.

[4.00 p.m.]

**Mr WILKINSON** - Were you involved at all with the Sullivan's Cove development board?

**Mr POULET** - Yes, I was. Only the last several months; I have been asked to attend the design panel meetings as a design panel member. Again, that is partly because of my expertise in understanding design and planning issues, and when those issues are brought to the authority that group of people helps to adjudicate and approve the outcomes that are likely to flow.

## **10.2 Tasmanian Planning Commission -**

**CHAIR** - Minister, in this line item the forward Estimates have some quite significant increases. I think we all know what they are about. They are to do with the planning reform agenda. I think a lot of us are aware that we are still completing implementation of the final stages of the reform planning initiative, including assessment of the new council planning schemes. Some of those - I think Meander Valley is still going. When I left there in 2001 we started a new one. It is still going.

## UNCORRECTED PROOF ISSUE

**Mr GREEN** - The new one is out for consultation.

**CHAIR** - That is right it is too, 10 years later.

**Mr WILKINSON** - Has that overtaken another new one which has overtaken another new one?

**Mr GREEN** - I can get to that point. When we are successful, if it goes to plan, we will be in a position to upgrade schemes effectively, on a reasonable basis, that will save councils a lot of money in having to upgrade their schemes individually.

**CHAIR** - Generally what work needs to be done and what is the timeframe for completion of the regional planning schemes?

**Mr ALOMES** - Minister, in terms of the Regional Planning Initiative, the first step is the production of regional land use strategies. We have the north west one in for formal assessment and advice to the minister. We have the northern one in as a draft, but as they have received public comment on their document they are revising it.

**CHAIR** - What is the time frame on that one?

**Mr ALOMES** - I am in their hands to some degree, but I suspect it will not be very long at all because -

**CHAIR** - A matter of months.

**Mr ALOMES** - No, I think it is a matter of weeks, very much. There is a meeting on 8 July, to be specific, where it will be resolved. The southern strategy has been out for public comment and has been endorsed by all 12 southern councils and that will be with us at the end of July, so they are doing some final fine-tuning of that. We have, in fact, started the process of assessing all three strategies. So that is the strategic element.

The planning scheme template, which we have completely reviewed, has been assessed and is out now and it is a legal document. That is the document that all planning schemes have to be prepared in accordance with. The third phase of the program is for all the councils to submit their interim planning schemes. That could take two forms. It could be that some regions submit what is called a regional template, which picks up all the things that the councils have agreed on and sit under the planning scheme template. The north and the south are looking at submitting those as planning directives. If that happens we will have those very shortly. The other option is they submit interim planning schemes. As the minister said, Meander Valley and West Tamar have already put theirs out for public comment. We are now getting to very much the business end of the process, where we are going to be assessing those interim schemes.

**CHAIR** - I imagine some of us have had quite a bit to do with planning schemes. We understand the complexities of planning per se. Have you been happy with that progress? Have things proceeded as quickly as you would have liked, or would you much rather have been more advanced at this stage?

**Mr ALOMES** - I think given the realities of councils working together in each of the three regions, they have done very well. I would not be critical of local government and their handling

of the three regional projects. It is a very big reform task to ask each of the three regions of councils to prepare a regional strategy and to proceed through the process of preparing interim schemes. When you recall that 70 per cent of all planning schemes are 10 to 15 years since they were approved, and that some go back as far as 1982 and 1979, it is actually a very big task to ask them all to update them in a couple of years. So there have been delays but I would argue that there have been a number of positive outcomes. The quality in some of them has improved enormously, but what has been the significant achievement is that the councils are actually working together on planning issues -

**CHAIR** - I am aware of that.

**Mr ALOMES** - and that is a very positive outcome for planning, because at the end of the day we want councils acting in their planning authority role to be doing it as consistently and as thoroughly as we possibly can, and so the planners working together has been a very significant achievement and the councils working together has been a very significant achievement.

**CHAIR** - Some years ago when we actually had a select committee on planning schemes - you will remember because you gave evidence at the time - one of the things identified -

**Mr GREEN** - I will have to have a look at that and see what you said at the time.

**Ms FORREST** - That is ancient history.

**CHAIR** - We talked about a dearth of planners right throughout Australia. Has that been an impediment? Is that still the case that within local government authorities there is a dearth of planners, or are we now producing enough planners in the system, particularly when they have this extra workload apart from their ordinary statutory stuff?

**Mr ALOMES** - I would not say there is an over-supply, but certainly I believe that the programs that have been developing and training planners and bringing them through have actually worked, so at the moment there is not a dearth of planners. What I would say is that we do tend to have planners that are what I would call development assessment planners as opposed to strategic planners, and a lot of the planners do not have experience or well-developed experience in doing strategy work, but they do have a lot of experience in processing development applications. What we are keen to see is that we now get greater consistency in the way that they share or undertake that development assessment work, and that we do not find that councils in one council interpret planning matters differently from other areas. So we have a huge task to get them to be thinking and working more consistently in the way that they apply their planning scheme and the way they assess applications.

**Mr WILKINSON** - What has concerned me for a few years now is the fact that you get somebody - and I am not saying whether canal developments are a good or a bad thing - like Walker Corporation who come into the State. They go down the track for however many years, spend \$20-odd million and are then told to walk away at the end of the process. There has to be a better way for people, investors, to be able to see at the outset whether what they want to do they are able to do or not, because it is a waste of money, a waste of time and expense for everybody, a lot of heartache for a lot of people, to go through the process that they went through to be told, 'No, sorry, you have to go away'. What is happening now to stop that from occurring?

## UNCORRECTED PROOF ISSUE

**Mr GREEN** - I can also add that as part of the economic development plan for the State we are looking at ways to allow people to understand the position to a far greater degree at the front end of the process as opposed to the back end of the process, and you probably had some input into that, Chair, I am sure.

**CHAIR** - I did.

**Mr WILKINSON** - So will that assist people like Walker Corporation that come in?

**Mr ALOMES** - I think it has to. With major projects the very first thing that should be done is what I call an audit, a planning audit of the proposal. The concept I have put to the Department of Economic Development is that we have a traffic light system where, if the audit shows that this development is probably going to get a red light, we should be saying that. In my experience in local government, developers often appreciate being told, 'This is just not going to make it and you would be wise to think about the commercial risk in pursuing an application'. Quite often they will make a decision based on that advice. So a red light can often be a very positive decision or indication for a developer because they do not waste a lot of money pursuing what might not occur. So an orange light says there are issues to resolve and a green light says this should go through the system without a difficulty. The idea is that the audit would be able to provide the developer with sufficient information to know what the process is that they have to go through, what their choices are in terms of those processes, and what information needs to be gathered to meet the criteria for the assessment. They should be able to go to consultants, get a costing on that, know how long it will take and a planning authority at a State or local government level should be able to give them the indication of how long it will take. So they should be able to make a judgment based on commercial risk if it is an orange light flashing orange or an orange light flashing red or an orange light flashing green.

**Mr WILKINSON** - If it is an orange light, though, that is where it would seem to me people have to get their heads together to see whether they can or they can't. For example, in relation to Ralphs Bay, it involved the fish, the migratory birds and the hydrology et cetera. If they know those things pretty well up-front, they do not have to go through the process that we have seen happening over the last few years. Do you agree with that?

**Mr ALOMES** - I could not agree more and I think the opportunity is there for developers to get better information about what is required by the process. It also depends on which process they choose to go through; there are ways and means in the planning system that they can choose. So they have a project of State significance. Walker's did not have the next one, which is a project of regional significance. They can do an amendment to the planning scheme; they can do an amendment with a DA attached or they can do a DA. So there are a multitude of processes that the planning scheme provides to developers and getting some advice from the Department of Economic Development on the best course is a good option.

**Mr WILKINSON** - Is that process in place now? I did not believe it was and if it is not when will that process be in place?

**Mr ALOMES** - It is actually a matter for the Department of Economic Development and the Minister for Economic Development but it is being established.

**Mr WILKINSON** - What I am wondering is when the process is going to be in place?

## UNCORRECTED PROOF ISSUE

**Mr GREEN** - The announcement will be next month - next week, is it? The unit itself is announced in the Budget, so I guess they are putting that unit together as we speak.

**Mr WILKINSON** - That is to define the red light, orange light and green light-type proposals.

**Mr GREEN** - Yes, which is a good idea.

**Mr WILKINSON** - Sure. In relation to that type of proposal, does that take us up to a situation where we are as good as or better than any other state in relation to giving investors some indication upfront as to whether they can or cannot proceed?

**Mr ALOMES** - I believe it does. I think the other thing that is significant is that the planning scheme template that has now been adopted by the commission and the minister will also help simplify the planning system. So we have now a consistent set of zones; we have a consistent structure underneath the zones, so that - I am getting into a bit of detail - but it is actually providing the opportunity for a greater consistency between planning schemes and the opportunities for developers or investors, and this could be mum and dad who just want to build an extension or a sundeck. They should be able to go to the scheme and get a clear indication of whether it is permitted or whether it is discretionary. So the options will be: permitted - green light, discretionary - orange light, and red light - prohibited. We also have exemptions and we also have now a category that is 'no permit required', so that there will be certain types of development that currently require a planning permit that will not require a planning permit. So simplifying that structure will also send a good message and I think by comparison to other States that is a very good, if not best practice, outcome.

**Mr WILKINSON** - In some areas, I have received some comments that if you put forward a proposal they will just say, 'No, look it just does not stack up,' as opposed to helping and saying, 'Well, look it does not comply in this area and that area. However, if you do this it can comply.' Have we got to the situation where there is going to be that assistance given within the planning body?

[4.15 p.m.]

**Mr GREEN** - That is not the commission's role.

**Mr ALOMES** - It is not the commission's role but we have spoken to DED about having somewhere where developers can get help if they feel like they are not getting a fair run through the local planning authority. That is something that it is important to do.

**Mr GREEN** - There will be a greater degree of consistency, though, with respect to the system overall, which should help a lot more I think. That is the principle.

**Mr WILKINSON** - The other matter in relation to planning was the coastal policy. It has been out there for as long as the tide comes in and out. What is happening with that?

**Mr GREEN** - The first thing to be said is that it is under the direction of the Premier because it is a State policy. But I can run through the issues.

**Mr WILKINSON** - Am I right in saying that the coastal policy has to go back to the drawing board?

**Mr GREEN** - A lot of the work that has been done would remain relevant, but it needs to take into consideration issues associated with the contemporary problems that we have at hand, including sea-level rise and climate change and those sort of things. It has basically been rejected by the planning commission, but I still think that the Premier is considering her options with regard to how we move forward with it.

**Mr WILKINSON** - Has there been a cost to that?

**Mr GREEN** - Yes, there has.

**Mr WILKINSON** - How much has that been over the years?

**Mr GREEN** - We went through this -

**Ms HUTTON** - No additional cost but obviously there are punitive costs where people could have been working on other things. We have been asked to attempt a calculation of that and we have a question on notice for the other House committee and are attempting to do that. We are not going to be able to come up with anything particularly precise. We did not have a single purpose project team working on it over a period of time. It was not as straight forward as that.

**Mr WILKINSON** - For how long had it been going on?

**Mr GREEN** - Well before that 2009. Revised Draft State Coastal Policy 2008 was developed. In 2009, Premier David Bartlett directed the Resource Planning and Development Commission and the Tasmanian Planning Commission to undertake full assessment of the draft policy in accordance of the requirements of the act. In May of this year the commission provided a report. The report identified a number of issues in the draft policy particularly the lack of reference to contemporary work on climate change and sea-level rise and other scientific advances as well as matters associated with implementation. Obviously, the commission made a decision for the right reasons and not the wrong reason, but it is still fair to say that we have a coastal policy in existence. It is not as if we are operating in the absence of a coastal policy.

**Mr WILKINSON** - So there is going to be a new policy looked at, I take it, with this new information that you are talking about. If that is the case, are you able to give us any time span when that is going to be concluded?

**Ms HUTTON** - Mr Wilkinson, as the minister has already indicated, the Premier will need to consider her options going forward as the minister responsible for State policy. A new State policy would be one of those options, but it is not the only one. There is a suite of things that the minister referred to earlier, such as policy statements on coastal vulnerability and so on that either supplement or replace the policy we have. In the meantime, that policy remains in force. Greg could probably comment further, if the minister wished him to, on how the current policy is reflected in both regional strategies and the planning schemes that have been prepared under that heading.

**Mr ALOMES** - Peter Fischer, who is our Director of Planning, is preparing a coastal vulnerability code, a statewide code. We have got the first package of codes out and this will be in the second package of codes and is to assist councils in how they deal with coastal issues, particularly sea-level rise and storm surge and coastal erosion. Indeed, we are currently working

through some excellent work that Clarence Council has done, plus we have done some sea-level rise research along with the Climate Change Office and local government. There is now a body of research and evidence which we need to keep developing that will assist us in the finalisation of that coastal vulnerability code. That will be a legal document and part of the planning scheme process and all councils will have to comply with it.

**Mr HARRISS** - Greg was mentioning a while back about the matter of consistency and indicating that there needs to be some sort of unit sitting in DED to facilitate this resolution of an impasse when you are not feeling you are getting an appropriate response from the local planning authority. That suggests to me that we would be more productively served by less local planning authorities, which by its very nature introduces a whole range of different interpretations, different approaches. Greg indicated that you have a strategic plan as well; you have development application process planners. Therein, Minister, lies a bit of a challenge because of the differing interpretations and different attitudes. I think there are plenty of stories to be told around this table on both sides about councils that do not have a can-do attitude and that is just a fact of life. That occurs. We know what happens across the counter. It can be personality driven, it can be policy driven. So I suppose the question is, is there a next step in the process to somehow reduce the vast number, not necessarily of councils but the local planning assessment process? Rather than 29 councils, 29 planning schemes, I understand where you are going with the template and the common principles, but are we leading to somewhere down that more consistent path?

**Mr GREEN** - There has been a view put that what we ought to be doing, as I have just indicated, in terms of upgrading the schemes that we have a reasonable consistency with, that we put in place a mechanism to allow us to do that at a reasonable level on an ongoing basis. That is a discussion that we obviously have to have for the future with respect to how we continue our reform process.

I think what we are looking to do is bed down this process now and make sure that we provide the consistency that people have been seeking for many years. I think we have achieved that in large part as a result of PD1, which means they will populate that template as part of the development of their schemes overall. Then look to reform in other ways or continue to provide the best opportunity to continue to streamline planning. We are obviously working through the res code stuff now, PD3 and PD4.

We want to look towards the next reform around multiple dwellings on a single block-type reform, which allows those sorts of developments to go ahead without the planning tick off that is required at a local government level, which effectively isolates them to a degree from that process.

On larger, more technical projects I guess that would be a step too far at this stage. We copped plenty of flak about being able to implement the reform process with planning, but it is a simple fact - and a lot of the people around the table know this - that we are interfacing with 29 councils. We have to take those councils with us and they are all democratically elected people who make decisions as part of that. The MOU has held it together to this point, and even though it has taken a while we are getting there with respect to this reform, as hard as it has been.

I do not dismiss what you are saying as a logical step, but from my point of view we are concentrating on the areas that we know that we can have a direct effect on. Once we get this PD4 over the line and the residential code we want to move quickly to the next stage. Hopefully as a result of that we will streamline the process even more.



**Mr ALOMES** - Part of the MOU was to look at ongoing arrangements in dealing with the councils through a regional interface, and that has proved to be very efficient.

**Mr GREEN** - I think they have learned a lot from the process, the councils themselves actually.

**Mr ALOMES** - I have found it very good to be able to go to a meeting of all the mayors and general managers. With the planning scheme template we have been running forums in each of the three regions. Planners, general managers and councillors can come along and be part of a discussion. We want to keep that sort of process running, so part of the MOU is to establish a governance arrangement for that to occur. Part of that is to drive the culture change that is needed to get planners to understand their role when they are doing development assessment, and how development assessments should be done ethically and professionally. We have had good success already in that space. A lot of the planners were not used to working with one another, and lo and behold quite often they did not agree with one another, for many of the reasons you outlined, so there has been some hard yards done at the local government level to break down a lot of those barriers. So we are keen to maintain a low-cost, ongoing interface through the regions with the councils.

**Mr HARRISS** - In addition to that, Minister, another recommendation flowing out of Greg's select committee some years ago was the glaring need for appropriate training of elected officials as to planning processes, because subjectivity too often enters those considerations versus objectivity. Were you intending to embark upon a robust training process, for all involved, from both sides?

**Mr GREEN** - As the Chair has pointed out, the interface between councils and the commission has been a lot closer as a result of working through this process. In a broader sense about training we need to obviously look to have smooth implementation. Under the residential code arrangement that is going to be put in place, we need builders be able to turn up to councils and get a form that is consistent right across the State and do other things, so there is an important part of the implementation. We need to train councils to make sure that they understand the new rules when it comes to these sorts of things. As part of this process we will embark on education. I think you are talking about a broader context with elected representatives.

**CHAIR** - Yes, elected members.

**Mr GREEN** - We will address that in local government if we can, about training of elected members.

**Mr HARRISS** - Would it be your desire, in this specific area of planning -

**Mr GREEN** - It certainly would be.

**Mr HARRISS** - to enhance the whole experience?

**Mr GREEN** - A lot of the disputes that exist, or - how do I put it - code of conduct arguments have been about whether people have made appropriate decisions on planning matters.

**Ms FORREST** - Referrals to RMPAT and other places tend to happen because of misinterpretation or poor application of the principles.

**Mr GREEN** - Yes, I agree with you in that regard.

### **10.3 Resource Management Planning Appeal Tribunal -**

[4.30 p.m.]

**Mr WILKINSON** - In the past year there were some concerns in relation to people having to travel in order to get to the RMPAT to put their argument forward. Has anything happened about that, or did the tribunal believe it was best to remain within Hobart?

**Mr GREEN** - The advice I have is that the tribunal has had to take a number of steps to meet whole-of-government budget management strategies, including not filling two vacant positions, modifying its listing practices and not replacing a staff member who has taken extended leave without pay. The use of videoconferencing facilities is encouraged for parties in regional areas, with the cost of using those facilities to be borne by the parties. This is in line with the policy applied by both the Supreme and Federal Courts for the use of their videoconferencing material. The tribunal has successfully resolved the technical problems initially experienced with the implementation of videoconferencing. However, upgrades in both recording technology and the need to include the capacity for videoconferencing over the Internet is a known and necessary cost that will to be met. The tribunal continues to convene some hearings outside Hobart where warranted to avoid injustice and undue hardship. It also conducts on-site mediation and site inspections. The tribunal continues to save expenditure by means of both vacancy control and reduction in intrastate travel, but its capacity to find additional savings is limited.

**Mr WILKINSON** - So they have travelled on a couple of occasions, from what you have said.

**Mr GREEN** - Yes. They had a good think about themselves.

**Mr WILKINSON** - They are, firstly, endeavouring to remain within the south of the State, and secondly they are endeavouring to get their evidence by way of video as opposed to having to be at the premises to get that evidence. Is that right?

**Mr GREEN** - That is correct. And obviously there have been some teething problems that the secretary might want to explain. I am not sure what they were.

**Ms HUTTON** - I was not going to comment on those, Minister. I was just going to make the observation that quite often the professionals or experts who are giving evidence in these matters are not based close to the site of the development, if you like. They are quite often based in Hobart or even interstate, and therefore it is cheaper to their client and more convenient to them to be able to give their evidence by video. That is certainly my understanding of it.

**Mr O'BRIEN** - Of all the hearings that were generated by matters outside what was once called the 002 area, 30 per cent of them were given hearings in their regional areas, specifically for the reason that someone may have been disabled or infirm. The tribunal does not unilaterally say it is all going to be in Hobart. It is not a one size fits all rule. What it said is we need to cut costs. Where it is mere inconvenience, that is another matter, but if you demonstrate to the tribunal that you would suffer undue hardship or injustice we will hold the matter in the regional

area where the dispute has arisen. In the last financial year, about 30 per cent of matters outside the 002 area were heard in their regional areas for that very reason.

**Mr WILKINSON** - Are you able to give us any figures as to how many matters were dealt with last year?

**Mr O'BRIEN** - In terms of outside the 002 area?

**Mr WILKINSON** - In total and outside the 002 area.

**Mr O'BRIEN** - Our annual report gives the information about the numbers of matters that we get on an annual basis. Invariably each year we get something in the order of 300 to 350 applications and appeals. That is the general number that we receive. We have a settlement rate that hovers around 70 to 75 per cent. That is, the vast majority of our matters are resolved through mediation, but of the balance of those a small proportion then go to hearing. I think in the last financial year approximately 16 matters that were outside the 002 area went to hearing, and 30 per cent of those were heard within their original areas. I do not know if that assists.

**Mr MULDER** - As we are looking at all this stuff, I think one of the big areas, and one that people are always on to me about, is the fact you can launch an appeal on some pretty flimsy grounds and yet it has to go right through the process and causes enormous delays. Blind Freddy can probably see that it is not going to get up. Many of the reasons are that - I know about the Clarence scheme, at least - there are too many subjective criteria in the appeals, such as whether it is an overdevelopment, whether it is out of the character with the area or whether it has an undue impact on neighbourhood amenity. In every other technical sense - in terms of setbacks, heights and accesses - everything that is technical and engineering may be spot on, yet it is still subject to this huge process based on these subjective grounds. I think I previously might have suggested at several forums that maybe a way around this is to make things appealable only on technical grounds and leaving out the subjective grounds. Where we have a discretion to vary a technical ground - yes, that can be appealed because it is a question of discretion. But where it is on some of these subjective grounds, perhaps we should just leave that to the wit of the locally elected officials to deal with and not try to second-guess what they are in the best positions to judge.

**Mr O'BRIEN** - The only observation I would make is that I suppose that is a policy decision, ultimately. The tribunal's role is to dispassionately apply the law to what is placed before it in accordance with the law.

**Mr GREEN** - Mediation was obviously used extensively.

**Mr MULDER** - But you do have people who insist on going through the process and even mediation slows it down.

**Ms FORREST** - Mediation certainly does.

**Mr MULDER** - Mediation is probably the correct word.

**CHAIR** - People are going down the frivolous and vexatious track.

**Mr O'BRIEN** - The difficulty of course is that the test under law for dismissing an appeal for being frivolous and vexatious is a very high bar and it has to be used extremely judiciously and carefully.

**Mr MULDER** - That is why I didn't raise that issue.

**Mr O'BRIEN** - I think it is a question of policy.

**Mr MULDER** - I am talking about policy, which was why I addressed it here. I think that is something that you might really like to take on board. You will probably find that a lot of the grief about councillors from local councils disappears and that developers are a bit happier to know that if they pick the scheme up and design it to the right standards, then appeals don't happen because they know that that is the road map. I think that it is certainty that people are looking for, rather than a refined process.

## **DIVISION 9**

(Department of Premier and Cabinet)

### **Output group 7**

#### **Development of Local Government**

##### **7.1 Development of local government -**

**CHAIR** - Minister, two former colleagues of yours, Michael Anthony Aird and James Cox, both said publicly that they think we have too many councils in the State and there should be amalgamations. Have you got a view on that?

**Mr HARRISS** - After they have left office I notice, Chair.

**CHAIR** - No, Mr Aird actually said it in the Chamber.

**Ms FORREST** - His valedictory.

**Mr HARRISS** - Well, he was going out, otherwise the minister would have belted him, I think.

*Laughter.*

**Mr GREEN** - With the planning reform process we are going through and the general reforms we have been trying

So a red light can often be a very positive decision or indication for a developer because they do not waste a lot of money pursuing what might not occur. So an orange light says there are issues to resolve and a green light says this should go through the system without a difficulty. The idea is that the audit would be able to provide the developer with sufficient information to know what the process is that they have to go through, what their choices are in terms of those processes, and

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what information needs to be gathered to meet the criteria for the assessment. They should be able to go to consultants, get a costing on that, know how long it will take and a planning authority at a State or local government level should be able to give them the indication of how long it will take. So they should be able to make a judgment based on commercial risk if it is an orange light flashing orange or an orange light flashing red or an orange light flashing green.

**Mr WILKINSON** - If it is an orange light, though, that is where it would seem to me people have to get their heads together to see whether they can or they can't. For example, in relation to Ralphs Bay, it involved the fish, the migratory birds and the hydrology et cetera. If they know those things pretty well up-front, they do not have to go through the process that we have seen happening over the last few years. Do you agree with that?

**Mr ALOMES** - I could not agree more and I think the opportunity is there for developers to get better information about what is required by the process. It also depends on which process they choose to go through; there are ways and means in the planning system that they can choose. So they have a project of State significance. Walker's did not have the next one, which is a project of regional significance. They can do an amendment to the planning scheme; they can do an amendment with a DA attached or they can do a DA. So there are a multitude of processes that the planning scheme provides to developers and getting some advice from the Department of Economic Development on the best course is a good option.

**Mr WILKINSON** - Is that process in place now? I did not believe it was and if it is not when will that process be in place?

**Mr ALOMES** - It is actually a matter for the Department of Economic Development and the Minister for Economic Development but it is being established.

**Mr WILKINSON** - What I am wondering is when the process is going to be in place?

**Mr GREEN** - The announcement will be next month - next week, is it? The unit itself is announced in the Budget, so I guess they are putting that unit together as we speak.

**Mr WILKINSON** - That is to define the red light, orange light and green light-type proposals.

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**Mr WILKINSON** - For how long had it been going on?

**Mr GREEN** - Well before that 2009. Revised Draft State Coastal Policy 2008 was developed. In 2009, Premier David Bartlett directed the Resource Planning and Development Commission and the Tasmanian Planning Commission to undertake full assessment of the draft policy in accordance of the requirements of the act. In May of this year the commission provided a report. The report identified a number of issues in the draft policy particularly the lack of reference to contemporary work on climate change and sea-level rise and other scientific advances as well as matters associated with implementation. Obviously, the commission made a decision for the right reasons and not the wrong reason, but it is still fair to say that we have a coastal policy in existence. It is not as if we are operating in the absence of a coastal policy.

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**Ms FORREST** - Referrals to RMPAT and other places tend to happen because of misinterpretation or poor application of the principles.

**Mr GREEN** - Yes, I agree with you in that regard.

### **10.3 Resource Management Planning Appeal Tribunal -**

[4.30 p.m.]

**Mr WILKINSON** - In the past year there were some concerns in relation to people having to travel in order to get to the RMPAT to put their argument forward. Has anything happened about that, or did the tribunal believe it was best to remain within Hobart?

**Mr GREEN** - The advice I have is that the tribunal has had to take a number of steps to meet whole-of-government budget management strategies, including not filling two vacant positions, modifying its listing practices and not replacing a staff member who has taken extended leave without pay. The use of videoconferencing facilities is encouraged for parties in regional areas, with the cost of using those facilities to be borne by the parties. This is in line with the policy applied by both the Supreme and Federal Courts for the use of their videoconferencing material. The tribunal has successfully resolved the technical problems initially experienced with the implementation of videoconferencing. However, upgrades in both recording technology and the need to include the capacity for videoconferencing over the Internet is a known and necessary cost

that will to be met. The tribunal continues to convene some hearings outside Hobart where warranted to avoid injustice and undue hardship. It also conducts on-site mediation and site inspections. The tribunal continues to save expenditure by means of both vacancy control and reduction in intrastate travel, but its capacity to find additional savings is limited.

**Mr WILKINSON** - So they have travelled on a couple of occasions, from what you have said.

**Mr GREEN** - Yes. They had a good think about themselves.

**Mr WILKINSON** - They are, firstly, endeavouring to remain within the south of the State, and secondly they are endeavouring to get their evidence by way of video as opposed to having to be at the premises to get that evidence. Is that right?

**Mr GREEN** - That is correct. And obviously there have been some teething problems that the secretary might want to explain. I am not sure what they were.

**Ms HUTTON** - I was not going to comment on those, Minister. I was just going to make the observation that quite often the professionals or experts who are giving evidence in these matters are not based close to the site of the development, if you like. They are quite often based in Hobart or even interstate, and therefore it is cheaper to their client and more convenient to them to be able to give their evidence by video. That is certainly my understanding of it.

**Mr O'BRIEN** - Of all the hearings that were generated by matters outside what was once called the 002 area, 30 per cent of them were given hearings in their regional areas, specifically for the reason that someone may have been disabled or infirm. The tribunal does not unilaterally say it is all going to be in Hobart. It is not a one size fits all rule. What it said is we need to cut costs. Where it is mere inconvenience, that is another matter, but if you demonstrate to the tribunal that you would suffer undue hardship or injustice we will hold the matter in the regional area where the dispute has arisen. In the last financial year, about 30 per cent of matters outside the 002 area were heard in their regional areas for that very reason.

**Mr WILKINSON** - Are you able to give us any figures as to how many matters were dealt with last year?

**Mr O'BRIEN** - In terms of outside the 002 area?

**Mr WILKINSON** - In total and outside the 002 area.

**Mr O'BRIEN** - Our annual report gives the information about the numbers of matters that we get on an annual basis. Invariably each year we get something in the order of 300 to 350 applications and appeals. That is the general number that we receive. We have a settlement rate that hovers around 70 to 75 per cent. That is, the vast majority of our matters are resolved through mediation, but of the balance of those a small proportion then go to hearing. I think in the last financial year approximately 16 matters that were outside the 002 area went to hearing, and 30 per cent of those were heard within their original areas. I do not know if that assists.

**Mr MULDER** - As we are looking at all this stuff, I think one of the big areas, and one that people are always on to me about, is the fact you can launch an appeal on some pretty flimsy grounds and yet it has to go right through the process and causes enormous delays. Blind Freddy

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can probably see that it is not going to get up. Many of the reasons are that - I know about the Clarence scheme, at least - there are too many subjective criteria in the appeals, such as whether it is an overdevelopment, whether it is out of the character with the area or whether it has an undue impact on neighbourhood amenity. In every other technical sense - in terms of setbacks, heights and accesses - everything that is technical and engineering may be spot on, yet it is still subject to this huge process based on these subjective grounds. I think I previously might have suggested at several forums that maybe a way around this is to make things appealable only on technical grounds and leaving out the subjective grounds. Where we have a discretion to vary a technical ground - yes, that can be appealed because it is a question of discretion. But where it is on some of these subjective grounds, perhaps we should just leave that to the wit of the locally elected officials to deal with and not try to second-guess what they are in the best positions to judge.

**Mr O'BRIEN** - The only observation I would make is that I suppose that is a policy decision, ultimately. The tribunal's role is to dispassionately apply the law to what is placed before it in accordance with the law.

**Mr GREEN** - Mediation was obviously used extensively.

**Mr MULDER** - But you do have people who insist on going through the process and even mediation slows it down.

**Ms FORREST** - Mediation certainly does.

**Mr MULDER** - Mediation is probably the correct word.

**CHAIR** - People are going down the frivolous and vexatious track.

**Mr O'BRIEN** - The difficulty of course is that the test under law for dismissing an appeal for being frivolous and vexatious is a very high bar and it has to be used extremely judiciously and carefully.

**Mr MULDER** - That is why I didn't raise that issue.

**Mr O'BRIEN** - I think it is a question of policy.

**Mr MULDER** - I am talking about policy, which was why I addressed it here. I think that is something that you might really like to take on board. You will probably find that a lot of the grief about councillors from local councils disappears and that developers are a bit happier to know that if they pick the scheme up and design it to the right standards, then appeals don't happen because they know that that is the road map. I think that it is certainty that people are looking for, rather than a refined process.

### **DIVISION 9**

(Department of Premier and Cabinet)

#### **Output group 7**

#### **Development of Local Government**

##### **7.1 Development of local government -**

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**CHAIR** - Minister, two former colleagues of yours, Michael Anthony Aird and James Cox, both said publicly that they think we have too many councils in the State and there should be amalgamations. Have you got a view on that?

**Mr HARRISS** - After they have left office I notice, Chair.

**CHAIR** - No, Mr Aird actually said it in the Chamber.

**Ms FORREST** - His valedictory.

**Mr HARRISS** - Well, he was going out, otherwise the minister would have belted him, I think.

*Laughter.*

**Mr GREEN** - With the planning reform process we are going through and the general reforms we have been trying to achieve in local government as a whole - and I am also talking about water and sewerage reform - I think that most fair-minded individuals will agree that planning is a very significant reform. Both of those reforms, at this stage anyway, ensure that people think about issues regionally as opposed to at a very local level which means that there has been a shift in thinking with respect to local government. I have been very impressed with the work of the Southern Tasmania Regional Councils Authority.

They have just recently obtained a Federal grant to put in place a group of people with deemed expertise to think about how they can make the whole southern region work far more closely together. I think that we are getting past the stage where we say, 'You cannot have elected members in your municipality'. We are getting to the stage now where councils are thinking about a role for people working on specific issues that are important to a municipality. But when it comes to matters associated with infrastructure and other things that are of a large cost and where a lot of duplication exists, then they are thinking about how they can do that better.

I have drawn a bit of an analogy; it is not one that you would necessarily like because in the end sometimes you have to make decisions in what you believe are in the best interests of the State overall. I would say to you right at the moment the forest industry and the debate that is going on about it is one of those situations where you could hold your line if you liked with respect to what ought to be facilitated from the forests, and what is sustainable going forward based on the historic arguments that you put forward. But whether you would be doing the right thing by everybody involved in the industry in holding that line is probably not likely.

Every now and then you have to blink when it comes to issues. I would say to local government through this forum again today, because there are a number of local government representatives here, that local government must understand in the future that if they are to have an effect on the cost-of-living pressures in the State of Tasmania, then they have to think seriously about how they can help and take it very seriously as opposed to just holding onto their little empires and thinking that they are doing a marvellous job on behalf of their local community. In fact, the sustainability of councils is tough. We have just had the Auditor-General's report. It is tough, so they need to think about it seriously.

I will be really interested to see what they come up with here in the south. The north is also working very well, as I understand. If there are models that can be transposed across the State, then I as local government minister would certainly be looking to do that.

**Ms FORREST** - So you would not support forced amalgamations; you want the councils to work on their own.

**Mr GREEN** - I think that they have to get that sense of maturity now that comes with the pressures associated with the cost of living right across the State. It is fine to have a chop at people politically about saving energy costs and all those things. I can understand it, but there is no click of the fingers that is going to make a huge difference in energy costs, for example. It is just not on because of infrastructure costs and the weighing of energy security against price; it is the price you have to pay for all of those things. Someone used the analogy the other day that it is like a balloon full of water - you push one side and it comes out the other. There is always an issue if you make a move when it comes to energy security weighed against price and if you make a move on energy security, you push it one way and something pops out the other side. It is never as simple as what you think.

It is the same in local government. It is a case of people thinking about the impact that they can have on the cost of living in Tasmania by amalgamating the areas that are most duplicated where you get most benefit from the point of view of cost effectiveness.

[4.45 p.m.]

**Mrs ARMITAGE** - If it does not happen and, as you say, everyone has their own little empires and they are not willing to have a voluntary amalgamation, would you see in the foreseeable future that you would have forced amalgamations?

**Mr GREEN** - No.

**Mrs ARMITAGE** - That the Government would come up and actually say 'right, you won't do it yourselves', because we know it will not happen -

**Mr GREEN** - You just cannot say that, because we have had people wanting to voluntarily amalgamate, and it has been suggested that is not a good thing. You have to be able to weigh it. That is the model we have decided to go with. I just sense that there is this greater sense of maturity within local government, not that they have not been mature, but their focus has been in a different area, they have focused themselves in a different way. I think now they are focusing themselves in thinking about their region and then Tasmania overall. We will play an important role in that, as will the Premier's Local Government Council, all forums where we can start to think and talk openly about Tasmania Incorporated and how we can assist.

**Mrs ARMITAGE** - How many would you see as the optimum?

**Ms FORREST** - How many councils would you like to see at the end of the week?

**Mrs ARMITAGE** - How many councils would you actually foresee that would be the objective in Tasmania? Surely it has been looked at.

**Mr GREEN** - Try every year, because it will be on the front page of the paper tomorrow. I am not going to offer an opinion on that. We are working through a range of reforms and a range

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of matters with local government at the moment, but I am just suggesting to you that the big reforms that have been made in recent times have people thinking regionally about their State or their area. To me that is going to change councils' thinking on an ongoing basis, and the north is playing a very constructive role in that.

**Mrs ARMITAGE** - Absolutely, but that does not mean they will want to voluntarily -

**Mr GREEN** - How many do you reckon?

**Mrs ARMITAGE** - I am not the minister.

**Mr GREEN** - No, I know.

**Mrs ARMITAGE** - You are the Minister for Local Government, that is why I am asking you what you consider.

**Mr GREEN** - One called Launceston.

**Mrs ARMITAGE** - That sounds fairly good.

**CHAIR** - Okay, I think that is probably a wide-ranging debate for another day.

**Mr MULDER** - My question still is in the same area, but I think it is a bit more grounded. The annual report of DPAC page 75 talks about a project to develop guiding principles for voluntary mergers, but that was due for decision in late 2010. I am just wondering what has happened.

**Mr HEALEY** - The guiding principles for voluntary mergers, I understand, are available.

**Mr BROWN** - There were two reports provided under the last Local Government Board review, one on the Glamorgan-Spring Bay and Break O'Day merger proposal. The second one was around principles for voluntary mergers, which were the recommendations made by the Local Government Board and then presented to the minister. There was then further discussion with the Premier's Local Government Council, which then moved towards working more proactively with the local government sector to deliver some sustainability projects around some of the minister's previously mentioned financial asset management planning frameworks, sustainability objectives and indicators -

**Mr MULDER** - That is my next question, yes.

**Mr BROWN** - and so I guess it would be fair to say it was put on hold pending the outcomes of that work.

**Mr MULDER** - Thank you. This is a good lead into the next one, which is the Development of Sustainability Objectives and Indicators report. Where is that now at, and what are the implications if councils are determined to be unsustainable? As I said, we are coming to the same point, but I was trying to ask it in a more straightforward way.

**Mr HEALEY** - I suppose I can answer that. There has been a lot of work on sustainability indicators and the issue went to the Premier's local government council at the last meeting. They

agreed in principle to a revised approach to the collection and reporting of those indicators that were a lot more focused to the previous approach, which was fairly expansive. We expect in the very near future we will be able to release a draft that contains the indicators we would propose is collected ongoing so that we can report on the sustainability of local government.

**Mr MULDER** - Any time frame on that draft report?

**Mr HEALEY** - The only thing really holding it up at the moment is the ongoing discussion with the Auditor-General and the institute - IPWEA. National indicators are being developed but what we do not want to do is go out to councils with a set of indicators that may change if there was national agreement on a slightly revised set. There is ongoing discussion with the Auditor-General on one set of indicators that we can all rely on. Hopefully we can move from an environment where at the moment the Auditor-General is reporting on the sustainability of councils each year to one where councils are able to report their own indicators of sustainability and build it into a broader asset and financial management planning framework. That is where we are trying to get to. The last thing that we want to do is to head off on a path that needs to be changed in six months time.

So we have released both, a set of the draft IPWEA indicators and the Auditor-General has consulted with councils on his draft set of indicators. As the Auditor-General remarked in his presentation of this report, he hopes to work with us over the next couple of months to get a final set so that we can move forward with one set of agreed indicators on sustainability.

**Mr MULDER** - The second part of the questions is, what are the implications if councils cannot meet principles or objectives on sustainability? In other words, what if, by your new science of sustainability, they cannot make the bar? What implication has that got for Government?

**Mr GREEN** - For Government? From a policy point of view the whole thing is about making sure that councils do act sustainably, so it is a matter of them having to.

**Mr MULDER** - I am seriously reminded of the elephant story here.

**Mr GREEN** - There is no doubt the economies of scale, the rate base of councils, their ability to manage, if you are a small council with lots of roads and bridges it is very difficult to manage that. It is not easy. That is why if you have a look on the indicators, and I know that Mr Hall and you were there at the report from the Auditor-General

**Ms FORREST** - I had another meeting.

**Mr GREEN** - You missed out on some really good food. The Central Highlands Council was struggling in a number of areas. What is the reason for that? They have got a lot of area, a very small rate base.

**CHAIR** - They do not charge rates for those shacks up there, I do not think.

**Mr MULDER** - There are three problems here, there are councils that are quite clearly sustainable, there are councils that are not sustainable if they keep going down their current path and the indicators would be a great thing for them to say this is what you have got to do to get yourself right. But there is a third group of councils who, as you point out resource bases, roads,

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asset infrastructure and all those other sort of things, are just not sustainable and will not meet the indicators. I do not expect a definitive answer but I am saying to you that if you develop these indicators and these indicators demonstrate that a council cannot become sustainable, that is a real policy issue that you are going to have to grapple with and you might find yourself having to forcibly merge or amalgamate. I am not going to take anything of that little bit out of context, but I am really saying that from a local government perspective. I think the thing with Glamorgan-Spring Bay and that merger, is that the bottom line was that if you merge two small unsustainable councils you end up with a medium-sized unsustainable council. You have got nowhere.

**Mr GREEN** - That is right. Exactly. The work that is going on in the south here if they look down towards the Tasman there and find that that council is doing it tough then they will probably make recommendations that allow people to understand how you can improve that dramatically. That is what I am looking for in a model to take forward, where groups of councils come together and nut out how the sustainability of the whole region is better and therefore the cost of living associated with that is lower.

**Mr MULDER** - You will be pleased to know, no doubt, that my position is not defending local government at all. I think we have a local government, it is called the State and there is a Premier in charge of it.

The Local Government office has a budget of \$2 million. What is the staff cost break-up in that?

**Mr HEALEY** - Employee related expenses for 2011-12 will be in the order of \$1.5 million - \$1 519 000 - and non-employee related expenses are \$490 000.

**Mr MULDER** - From that I gather that the Director of Local Government is not the sole employee of the agency?

**Mr HEALEY** - No. There are 14 FTEs, which include probably around two FTEs that are corporate overheads that are across the agency, so at the moment there is somewhere in the order of 12 FTEs allocated.

**Mr MULDER** - What is the structure of that in terms of SES, senior policy and clerical?

**Mr HEALEY** - There are two SES officers, one a substantive band A, assistant director, and there is an acting assistant director. Then there are a number of band 6s, band 4s and band 3s currently working within the division. I do not have the actual breakdown of those bands.

**Mr MULDER** - That is alright. I was just after the structure. Has local government ever been asked what value they see in the Premier's Local Government Council, the Local Government Board and the Local Government Office - having all three of those structures and functions meddling in the same space? From the local government perspectives, and I am not too sure whether it is shared by others, we wonder whether there could be a smaller, less interventionist model for dealing with what is basically an intergovernmental relationship.

**Mr GREEN** - I do not know whether we have gone back and asked but we rely on LGAT, which is the representative body of all of the councils except for one.

**Mr GREEN** - Yes, all but one.



**Mr MULDER** - That is a delicate proposition year by year, as no doubt LGAT would tell you.

**Mr GREEN** - Yes, at the moment I think I am still right, it is all but one. The feedback we get is that the Premier's Local Government Council is important, they deem it as an important part of the interface between State and local government that did not exist some time ago. I find the meetings very useful and we have made some significant steps forward as a result of those meetings.

**Mr HEALEY** - I think it probably would not be entirely clear to suggest that the Local Government Office, the Premier's Local Government Council and the Local Government Board play a similar function. The Local Government Board is a statutory board that can provide advice and recommendations to the minister. The Premier's Local Government Council is a collaborative forum so that we can jointly progress issues of policy and common interest, and the Local Government Office or the Local Government Division is the policy function of government that hopefully brings all of that together and provides advice to the Government.

The Local Government Division also performs a very important function in trying to translate the priorities of government for local government and vice versa - trying to translate the priorities of local government for the State Government. So they are not three bodies vying for the same function. They perform quite a different -

**Mr MULDER** - But playing in the same space, which is the policy area that I was talking about. I know there are difficult things for local government and two of the big issues at the moment are the question of amalgamations. Perhaps we should get the view of the ratepayers about amalgamations rather than the view of the elected officials who might just cut past a level of self-interest. The other one of course is compulsory voting. With the upcoming elections in October, would you give some consideration as to whether or not we would use that as an opportunity to put those two questions to the electors of local government directly?

**Ms FORREST** - To those who choose to vote. They are the only ones you are going to get a response from.

[5.00 p.m.]

**Mr GREEN** - The councils themselves, as you know, voted on compulsory voting and it was very close, as I understand it, last time around. The majority of the bigger councils believed it appropriate to have compulsory voting and it was the smaller councils with the numbers - I think it was only by one.

**Mrs ARMITAGE** - Perhaps the larger councils should have more votes.

**Mr GREEN** - Yes, probably. Democratically, across the councils, it was just pipped. We have been asked to prepare a bill -

**Mr HEALEY** - The Premier raised it once again at the general meeting.

**Mr GREEN** - That is right. What was the bill on again?

**Mr HEALEY** - On valuation and rating.

**Mr GREEN** - Valuation and rating, that is it.

**Mr MULDER** - Perhaps there is a way past this blockage. There is a provision in the Local Government Act for referenda to be conducted in conjunction with them. Some councils have done it. I think Hobart, of all things, decided to do it on the pulp mill or something. That might be an issue that you might try to take through. To be continually polling the councils, and I think Clarence was one of the ones that voted against it - they certainly did in the Chamber - whether that was conveyed to the next level I do not know, but we voted against it and there were all sorts of reasons for that. But it is a debate that really should be had by the ratepayers when you are going to make a fundamental change like that. I would urge you to give serious consideration to just popping a couple of questions, which is not a huge expense, into the next postal ballot for local government.

**Mrs ARMITAGE** - For the ones who bother to send it back, Tony.

**Mr MULDER** - That is the point. If you do not believe in compulsory voting you do not -

**Mrs ARMITAGE** - That is the point.

**Mr GREEN** - That is exactly the point.

**Mr MULDER** - It is the same question though as you can force people to turn up to a ballot box, but you cannot force them to vote validly.

**Mr GREEN** - We are committed to continuing the discussions through LGAT, and we are hopeful that we will make some progress with respect to this. I guess the Government could just bring it down. It has been suggested.

**Mr MULDER** - That is what you normally do when you cannot get councils to agree.

**Mr HEALEY** - The issue is being reconsidered at the general meeting in July. I think everyone was very keen to see what position would be taken at that meeting. It has always been considered to be something that could be progressed.

**Mr MULDER** - As I said, voting and mergers is something that should be put to the councillors and put to the people directly, if you want to see what people really think.

**Mr GREEN** - Fair enough.

**Mrs ARMITAGE** - Perhaps there could be a better way of doing it than posting it out. I remember last time - quite horrifically - the recounts and pieces of paper sent in and drama with it. Computerised and different ways of voting might be looked at.

**Mr GREEN** - Voting methodology, which is basically through the Electoral Commission.

**Mrs ARMITAGE** - So it does not come into local government anymore.

**Mr MULDER** - Try running for State Parliament in the lower House, trying to work out where the preferences are going.

**Mr GREEN** - Yes, it is an Electoral Commission issue.

**Mrs ARMITAGE** - Tony has covered most of the areas that I was concerned with to do with amalgamation and with voting. We all would have received a letter with regard to compulsory voting, to do with the capital cities act. Have you received that letter to do with the election coming up, particularly to do with Hobart?

**CHAIR** - We had a letter. Most elected members -

**Mrs ARMITAGE** - I just wondered how the capital cities act would apply to compulsory voting?

**Mr GREEN** - I have not seen the letter.

**CHAIR** - It came from the Lord Mayor to honourable members. There is apparently a provision under the capital cities act for compulsory voting.

**Mrs ARMITAGE** - I thought you might have been able to provide an answer.

**Mr GREEN** - Did he send the letter with a view to you asking me questions about that, or is it just something -

**CHAIR** - No, we actually supported it, individual members support it, so I would have presumed that the Government would have had the same, so it is unusual.

**Mr GREEN** - I did not know about it.

**CHAIR** - It came about a week ago.

**Mr GREEN** - We will endeavour to get a copy.

**Ms FORREST** - Minister, there is a view with some of your colleagues that members of Parliament should not be able to hold two positions in various levels of Government. What is your view on that?

**Mr GREEN** - That is the one that I have been waiting for. Greg, do you want to answer this?

**Ms FORREST** - I would like the minister to answer if he does not mind.

**Mrs ARMITAGE** - It has already been answered previously in *Hansard*.

**Mr GREEN** - Yes, it has because I went through it.

**Mrs ARMITAGE** - I have already read that.

**Mr GREEN** - Indeed. Of course, we said if we bring something in we would not be calling it the 'double snout in the trough' bill, as Kim Booth has put it on a couple of occasions.

**Ms FORREST** - Have you got another better-informed title? What would you call it, Minister?

**Mr GREEN** - I would certainly come up with something a little better than that. I think it is most unkind.

**Mr HARRISS** - It would not take much, I tell you.

**Mr GREEN** - Obviously the Government believes in the merit in considering whether a member of either House of Parliament in Tasmania should currently hold a position as a local councillor. For instance, issues of conflict may arise if a member of parliament is considering legislation that may affect a council. I also question whether it is in the best interests of democracy in such a small State if one person holds two seats in different levels of government. I am aware that there are a number of models around Australia dealing with this matter. For instance, in Western Australia a councillor elected to the State Parliament may serve out his term, or his/her term in local government and the office is deemed vacant at the next ordinary election. In South Australia, a councillor's position automatically becomes vacant if they are elected to State Parliament. These two options we need to carefully consider.

The Premier has asked that the Local Government Division consider the matter and come back to her with some recommendations to appropriately move forward. Because this issue is likely to draw considerable attention, not only from councillors, but the public in general, we need to consult broadly on the matter. This will mean that it would not be in time for the upcoming local government elections. So when a position comes forward as prepared, we will consider that.

**Ms FORREST** - What time frame have you got for that?

**Mr BROWN** - I think, as members are aware, we have a fairly clear obligation to come back to Parliament on another matter, which is the ratings review. So our capacity to progress this bill in the immediate future is limited by the work we have committed on that. I do not want to commit to a timeframe for coming back on the issue. I do not expect it will be in the next couple of months.

**Ms FORREST** - By the end of the year?

**Mr BROWN** - No, I think it would be looking to next year. But these are issues that we will be guided by the minister and the Premier on where they would like to see our resources apply.

**Mr GREEN** - I do not want to tread on anybody's toes here. Touchy subject, I know.

**Mr MULDER** - I will let you know that I will not be an alderman after the next council elections because that second model you quoted is the one that I am actually personally following.

**Mr GREEN** - Okay.

**Mrs ARMITAGE** - As for me I made a commitment. When standing, many people said to me, 'I will vote for you provided you do not just give up on council,' so I will serve out my term and then I will consider how they fit together or what the legislation says.

**Ms FORREST** - Confessional time.

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**CHAIR** - Thank you, Minister, and thank you to your advisers

**The committee adjourned at 5.09 p.m.**