

UNCORRECTED PROOF ISSUE

Monday 3 June 2013 - Estimates Committee B (McKim) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Monday 3 June 2013

MEMBERS

Hon Ivan Dean
Hon Kerry Finch
Hon Mike Gaffney
Dr Vanessa Goodwin
Hon Tania Rattray (Chair)
Hon Adriana Taylor

IN ATTENDANCE

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

Department of Education

Colin Pettit, Secretary
Liz Banks, Deputy Secretary, Early Years and Schools
Malcolm Wells, Deputy Secretary, Further Education and Training
Andrew Finch, Deputy Secretary, Corporate Services
Chrissie Berryman, General Manager, Skills Tasmania
Malcolm White, CEO, Skills Institute
Stephen Conway, CEO, TasTAFE
Jenny Rayner, Director, LINC Tasmania
Nick May, Director, Finance and Business Services

Department of Justice

Simon Overland, Secretary
Robert Williams, Deputy Secretary
Chris Batt, A/Deputy Secretary
Brian Edwards OBE, Director of Prisons, Director Change Management
Greg Partridge, Assistant Director of Prisons
GINNA WEBSTER, Director, Community Corrections
Jennifer Lee, A/Director, Consumer Affairs and Fair Trading
Chris Jacoora, Department Liaison Officer

Department of Infrastructure, Energy and Resources

Norm McIlfattrick, Secretary
Amanda Russell, General Manager, Corporate Services
Bob Rutherford, Deputy Secretary, Regulatory and Customer Services
Amanda Russell, General Manager, Corporate Services
Stephen Long, Manager, Resource Management
David Hope, Director Passenger Transport Policy
Martin Grace, Manager Passenger Transport Services
Simon Morey, Manager Passenger Transport Concessions
Andrew Mullen, Manager Passenger Transport Contracts

Ministerial Staff

Andrew Perry, Head of Office
Tom Allen, Adviser, Sustainable Transport
Pamela Honan, Adviser, Corrections and Consumer Protection
Terry McCarthy, Principal Adviser, Education and Skills
Sonja Bolonja, Adviser, Education and Skills
Jon Paice, Adviser, Education and Skills
Jay Wheeler, DLO, Education and Skills

The committee met at 9 a.m.

CHAIR (Ms Rattray) - Good morning, minister, and welcome to the first day of Estimates for 2013.

Mr McKIM - Good morning, Madam Chair, and thank you for having us.

DIVISION 6 -
(Department of Justice)

CHAIR - Minister, if you would be good enough to introduce your members at the table and then provide the committee with a brief overview, that will be very acceptable to the committee.

Mr McKIM - Thank you, Madam Chair, and thank you again for having us in. If I could introduce on my right Mr Simon Overland who is the secretary of the Department of Justice and, to my left, Mr Robert Williams, who is deputy secretary in the Department of Justice and also Director of Corrective Services.

CHAIR - And a very seasoned performer at Estimates, so welcome.

Mr McKIM - Indeed.

I am very pleased to inform the committee that we are making excellent progress in our corrections reform program which goes across the Tasmanian Prison Service and Community Corrections. Both the TPS and Community Corrections have been faced with significant challenges during the previous year but they have risen to those challenges thanks to the staff who are involved both in the TPS and in Community Corrections and they do the most amazing job

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and I will speak about that later. Also management of Community Corrections and the TPS, our key stakeholders, including unions, and our third party providers, have all worked very hard to deliver what we can demonstrate are significant improvements in the Corrections portfolio.

In the Tasmanian Prison Service we have a range of KPIs and other performance indicators that clearly demonstrate our excellent progress to date in implementing change within the Tasmanian prison system. We have a delivery plan that consists of a number of recommendations from a number of reports that either I have commissioned or have been commissioned in recent times including the Palmer Report, Workplace Standards Tasmania Report, the Ombudsman inquiry into the Tamar unit and also our education strategic plan, along with our community corrections strategic plan. They all sit under our Breaking the Cycle strategic plan for corrections in Tasmania.

I am really pleased to report to the committee, because this has been a matter that the committee has shown consistent and legitimate interest in since I have been the minister, on overtime costs that, for the first time in many years, we have overtime costs trending down. I am happy to go into the details about that should the committee require them.

CHAIR - I am sure the committee will be interested in that.

Mr McKIM - I have no doubt.

CHAIR - We have some members of the Legislative Council inquiry who sit on this committee.

Mr McKIM - Yes, I understand that and I am cognisant the committee has expressed significant and legitimate interest in that issue in the past.

I am pleased to inform the committee that sick leave is also trending down. It is currently, in the year to date, 10 per cent under the average level for the same time period in the previous two financial years. We have doubled the amount of education in the prison in the last two years, which is a really significant achievement.

There have been no serious assaults on staff in the year to date, which is very pleasing. We have zero tolerance of any assaults in our prison, including assaults on staff, so the fact that we have had no serious assaults on staff is welcome. Of course, we need to make sure that we do everything we can to bring the number of assaults down to zero. We have also seen a significant increase in contraband seizures, which we put down to our improved security measures that we have implemented in the main as a response to recommendations from Mr Mick Palmer.

We have also seen a dramatic decrease in lockdowns in recent months from February until 30 April, which are the latest figures I have for the committee. There have been no lockdowns due to staff shortages. Also, these lockdowns have only been implemented for operational reasons such as security searches, which are a normal feature of a prison environment. To have no lockdowns due to staff shortages in the prison is something that I am really pleased with.

I indicate to you, Chair, that as Mick Palmer found in his report, there was a real, positive appetite for change in the Tasmania Prison Service from all stakeholders. I can't compliment highly enough the attitude of staff, of management at the prison, of third party providers and also the attitude of unions in embracing the change process which has been led for some time by Mr

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Brian Edwards. Members would be aware that I announced recently that Mr Edwards had been appointed to become the Director of the Tasmania Prison Service for a period of five years and that he would do that job as well as continuing to drive the change process in the Prison Service.

Before I move onto Community Corrections, I can confirm for the committee that I spoke to Mick Palmer about that. Members will recall that one of his recommendations was to create the separate position of Director of Change Management which we accepted and did create that position and appointed Mr Edwards to it. As rolling the two positions together was technically contrary to one of his recommendations, I rang Mr Palmer and spoke to him about that and he was supportive of the proposal to appoint Mr Edwards as director, and effectively amalgamated the two roles.

In community corrections, we have seen a dramatic increase in the demand for the services and the programs provided by Community Corrections. We are really pleased about this because community corrections is not only a much more cost-effective way of managing offenders, it is in very clearly in line with our Breaking the Cycle strategic plan to have more people dealt with by community corrections. From January 2010 to January 2013, we saw a 37 per cent increase in overall offender numbers in community corrections. The majority of that increase was in community service orders which increased by 96 per cent over that period so you can see that we have significant challenges in Community Corrections and staff have been magnificent in the way they have responded to those challenges and we have also allocated an additional \$1.4 million to Community Corrections on an ongoing annual basis from the 2013-14 financial year in recognition of the significant increase in workload and to meet budget pressures.

Despite the workload of Community Corrections staff, Tasmania has the highest rate of completions of community-based orders in Australia and we have achieved good success in the delivery of our Sober Driver Program with over 400 offenders now having graduated from the program and completions at a very satisfactory 88 per cent. Also, for the first time, we have our Family Violence Offender Intervention Program being facilitated in every region of Tasmania. We are also taking significant steps to improve the management of sex offenders on community-based orders so we have trained key probation officers to deliver individual interventions to sex offenders on their caseload and this kind of targeted intervention we believe better addresses the unique challenges that come with small offender numbers relative to the rest of the country across more geographically diverse locations. We also have a recidivism rate for return to prison that is considerably lower than the national average and also the proportion of Community Corrections offenders returning to Corrective Services is also lower than the national average.

We have made significant progress in this portfolio area over the last 12 months and that is thanks entirely to the magnificent efforts of the staff both in Community Corrections and in the TPS management and Community Corrections and also the support that I have received from senior officials in the department. I look forward to exploring those issues in more detail.

CHAIR - Thank you, minister, for your overview. There is a number of issues I know the committee is looking forward to being able to flesh out. I will invite the member for Pembroke, Dr Goodwin, to initiate the questions.

Output group 6
Corrective Services -

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Dr GOODWIN - Good morning minister, and good morning everyone. I would like to go straight to the elephant in the room. This time last year, minister, you were busy talking up your soon to be new director of Prisons, Mr Greenberry, but, unfortunately, eight months into his five-year contract he left Tasmania with over \$250 000 in taxpayers' funds, leaving behind a trail of unanswered questions. Could you please explain what went so terribly wrong with Mr Greenberry?

Mr McKIM - Thank you, Dr Goodwin. Without buying into the accuracy or otherwise of your question, the first thing I would say is that I have been very upfront about the circumstances around Mr Greenberry. I have made a ministerial statement to the House of Assembly that contained a large amount of detail around Mr Greenberry and what occurred. I have also been clear that I respect his privacy as an individual and I have also taken steps to protect reputations of other people who had had allegations made against them. I have been upfront and accurate with the parliament and I believe I have acted appropriately in all instances. If you want to ask for more details of the question then no doubt you will do that.

Dr GOODWIN - Minister, you have persisted with the official explanation provided by your department that Mr Greenberry left for personal and family reasons. However, he did receive a workers compensation payment which is not entirely consistent with just leaving for personal and family reasons. In your ministerial statement you did refer to the department managing some employment issues with Mr Greenberry. In my view, your ministerial statement raises more questions than it answers. What we are trying to do as a committee is get to the bottom of what happened with Mr Greenberry. It is relevant because he did receive a workers compensation payment of over \$250 000. He was involved in reducing overtime at the prison and I am sure my colleague, Mr Dean, will wish to pursue that as well.

What we are wondering is what is the future for the corrections service with the departure of Mr Greenberry, and what accountability is there for the reasons why he left? We are trying to get to the bottom of it and I would appreciate you shedding some more light on it.

Mr McKIM - The future for the TPS is very bright. As I articulated in my opening statement, we have a number of KPIs that are showing the positive progress that we are making in terms of implementing much-needed change in the TPS. I remind you, Dr Goodwin and other members of the committee, that it was actually Mr Edwards who was brought in to manage the change process in the Tasmanian Prison Service and not Mr Greenberry, and there is plenty of evidence for that, not least the title of Mr Edwards' position as Director of Change Management.

Dr GOODWIN - Surely you cannot believe he was solely responsible for the change management process? Surely your Director of Prisons would have an instrumental role to play in change management in the prison?

Mr McKIM - I made it clear to both Mr Edwards and Mr Greenberry when I first met them that I did expect them to work very closely together and that is appropriate, I believe, but what I just said are the facts of the matter. Mr Edwards was brought in to manage the change process. That is why we created the position and why Mick Palmer recommended that position. That is why we called it Director of Change Management because that was his job - to manage the change process in the prisons.

Mr Greenberry's job as Director of the TPS was to run the prison; that is what the Director does. As I said, I made it very clear to them that obviously with the dual or the two roles that I

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did expect them to have a close working relationship because I thought this close working relationship would be in the interests of the good order of the prison and in the interests of making sure that we deliver the outcomes we want to see from the Tasmanian Prison Service, which ultimately is to make our community a safer place.

Dr GOODWIN - So what went wrong with Mr Greenberry? Why did he leave?

Mr McKIM - I have detailed this in detail, provided this -

Dr GOODWIN - With respect, minister, no you have not.

Mr McKIM - I have.

Dr GOODWIN - You have continued to cite the department's official advice in the face of contrary evidence, I would suggest, from various sources and you persist with this official advice that he left for personal and family reasons.

Mr McKIM - Absolutely. Dr Goodwin, can I put to you -

Dr GOODWIN - I do not think you are being completely honest and transparent about this.

Mr McKIM - You can sit there and cast aspersions all you like, that is your right and privilege as a member of parliament but I disagree entirely with you. I have been open, up front, about the reasons for Mr Greenberry's departure.

What I would say, Madam Chair, through you, to Dr Goodwin and other members of the committee, is if I had informed the House of any other reason for Mr Greenberry leaving other than the personal or family reasons that he insisted be inserted into the deed of settlement as the reason for his resignation, if I had given any other reason than that to the parliament, we would be having a very different discussion now and Dr Goodwin would be all over me like a rash for misleading the House. In fact, I have given the House -

Dr GOODWIN - With respect, minister, your ministerial statement -

CHAIR - Order. One at a time.

Mr McKIM - but in fact, I have given the House absolutely 100 per cent accurate information, as I will provide to the committee today - based on advice I have from the department. That is, when Mr Greenberry signed the deed of settlement it had in it, at his insistence, that he is resigning for personal and family reasons.

If you have evidence that at the time of signing the deed of agreement, Mr Greenberry had a different view you can run that all you like, effectively suggesting that he signed a document that he knew to be false. You can run that all you like but I am not going to go down that path. I take on face value the deed of settlement that Mr Greenberry signed after insisting that personal and family reasons be inserted in there as the reason for his resignation. That is the basis of the advice I have provided to the House and I stand by that advice.

Mrs TAYLOR - Chair, can I ask a supplementary relevant to this? Why did you give him workers' compensation?

Mr McKIM - I did not give him anything, Mrs Taylor.

Mrs TAYLOR - Sorry? Why was he given - I am not speaking here from a political point of view, so it is different. I really want to know.

Mr McKIM - The decision around workers' compensation was as follows. Mr Greenberry did submit a workers compensation claim. This was disputed by the department on my advice, however there was an agreement reached on 28 March which included the terms that I have outlined many times and that are on the record in terms of the settlement with Mr Greenberry. I remind the committee that the terms of the settlement were oversights and approved by the workers compensation tribunal as required under the act. The terms of this settlement were arrived at by the department without any direction or interference by me. It is simply not appropriate for ministers to interfere in employment matters that are run by government departments.

Mr DEAN - It is a requirement that they have control of their organisation and of their portfolios.

Mr McKIM - Mr Dean, if you think ministers should interfere in the performance management of people in government departments, the entire public sector has just dropped down on their knees and are praying you never become a minister.

Mr DEAN - There are times they should interfere.

Mr McKIM - You can have your view, but my view is it is not appropriate for ministers to intervene. That is the advice that Mr Overland has provided me and I completely accept and agree with that.

Mr DEAN - The buck stops with you, minister. You are already at the top of the line.

Mr McKIM - That is absolutely true, the buck stops with me.

Mr DEAN - How can you accept the ultimate outcomes when you do not have some control over what is going on?

Mr McKIM - I believe that the ultimate outcome was certainly disappointing given the hopes that everyone had at the time of Mr Greenberry's appointment. I am not resiling from that all; it is a very disappointing outcome. However, in assessing the terms of the settlement, there were a number of issues before the department that I think it is worth taking the committee through.

In relation to the quantum of the salary payment, the potential cost to the state for an ongoing workers compensation claim was considerably greater than the 14 months equivalent salary that ultimately was contained in settlement. Under the Workers Rehabilitation and Compensation Act Mr Greenberry would have been entitled to weekly payments for up to nine years should he have remained unfit for work during that period. It is usually the case where workers compensation claims are settled that this occurs at least two years post lodgement of the claim. By that stage, an injured employee would have already received 24 months salary. In this case that would be around \$360 000 and consequently the view of the department was that the settlement involving

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the equivalent of 14 months salary is a more beneficial arrangement to the state. Whilst it is conceivable that Mr Greenberry may have recovered to an extent that he could undertake a gradual return to duties, return-to-work strategies such as a structured rehabilitation program involving light duties or redeployment were impractical due to Mr Greenberry's niche skills in the corrections field and the lack of other relevant vacant alternative senior positions.

Regarding relocation costs and legal costs, the department considered it reasonable to provide reimbursement of some relocation expenses to Mr Greenberry. In relation to the legal fees, it is a requirement of the Workers Rehabilitation and Compensation Act that employers pay the reasonable legal and financial expenses incurred by an employee for the purposes of examining the settlement of a workers compensation.

Mrs TAYLOR - That is very often the case when there is a potential of a long-term workers compensation claim, that if the person involved is willing to take a settlement, financially that is often a really good solution. A number of us visited the prison late last year, met with Mr Edwards and Mr Greenberry and a number of people. It was a fantastic visit, they were very welcoming and open and they took us around; it was really good. We were very impressed with what seemed like a really changed attitude,

Mr McKIM - Yes, and that remains out there today Mrs Taylor, I can assure you.

Mrs TAYLOR - I have not been in the last couple of months so I cannot speak personally, but I am speaking personally about how good that was and I was very impressed with the way that the management seemed to be working together. I understand that the deed says that he left for personal reasons. If a person leaves for personal reasons only, then you would not give them a payout so there obviously was a workers compensation claim.

Mr McKIM - As I have informed the House a couple of months ago.

Mrs TAYLOR - I cannot understand. As other people have said, what went wrong? What was the claim? In less than eight months because we were there in November/December.

Mr McKIM - As I have informed the House some time ago, in late January 2013, Mr Greenberry went on sick leave.

Mrs TAYLOR - Was he injured?

Mr McKIM - I do not believe that we should be discussing health matters relating to public sector workers in a forum such as this.

Dr GOODWIN - Your ministerial statement, minister, refers to managing some employment issues with Mr Greenberry. How do you reconcile that with the personal and family reasons, and the workers compensation payment?

Mr McKIM - I am simply providing advice as to the facts of the situation, firstly to the House, as I have in my ministerial statement, and later in response to questions from the opposition and now to the Legislative Council.

Dr GOODWIN - What were the employment issues?

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Mr McKIM - Dr Goodwin, as I have consistently said, I do not believe that a minister of the crown should be discussing employment and management issues relating to public sector workers.

Dr GOODWIN - Why put it in your ministerial statement then?

Mr McKIM - Because I have a duty to be accurate and I was accurate.

Dr GOODWIN - You are not being accurate because you are telling us half the story.

Mr McKIM - I am sure I will be able to cough an answer out to Dr Goodwin without being interrupted at some stage during this process.

CHAIR - You are doing quite well.

Mr McKIM - Thank you.

Mr DEAN - I did not think so, but anyway.

Dr GOODWIN - No, they are very long-winded answers and they do not answer the question.

Mr McKIM - I do not intend to go into detail about those employment issues that were being managed in relation to Mr Greenberry, out of respect to his privacy and also out of respect for the privacy of every single public sector worker in Tasmania who would have a legitimate view that ministers should not be going into detail about employment management processes in the public forum.

Because there is a level of public interest in this -

CHAIR - I would say a high level, minister, with all due respect.

Mr McKIM - Yes, a high level of public interest, which I accept. I can indicate to the committee that - and I am not sure of the standing orders because we are in the Council not the House.

CHAIR - I have my book right behind me.

Mr McKIM - If the committee has a mind to resolve to take evidence in camera then I will be more than happy to facilitate further details being provided to the committee because I think the parliament ultimately has an interest in this, of perceived questions in the lower House, and now in this committee. I want to be very careful about privacy. I want to be very careful about potential reputational damage to more than one person during this process.

I can indicate, if the committee has a mind to resolve in camera, we will be prepared to put some further details on the record but I am reluctant to do so.

Dr GOODWIN - That would not satisfy the public interest though, would it?

Mr McKIM - It would satisfy the parliamentary interest which is ultimately all about key responsibilities.

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Mr DEAN - Could I have a supplementary on the question asked and my question is was Barry Greenberry being given the full support of the department and you, to do the job that he was employed to do?

Mr McKIM - He was given all the support to do the job.

Mr DEAN - That he was employed to do. The full support?

Mr McKIM - Yes.

Mr DEAN - What about the other interviews that were had with Mr Greenberry in relation to the report he submitted, of being disciplined and being challenged on the statements that he was making and the things that he wanted to do?

Mr McKIM - Perhaps if you could provide more detail about these alleged other interviews, Mr Dean, I will be happy to respond to you.

Mr DEAN - Can I first of all ask, he was paid \$250 000 to leave?

Mr McKIM - No, let us be accurate. He was paid a sum of money as settlement under the Workers Rehabilitation and Compensation Act.

Mr DEAN - What was the full cost associated with Barry Greenberry and his employment in the prison? In other words, the recruitment costs, the transferring of Barry Greenberry across here, moving him back to England, his other costs like accommodation and other costs here, other than the workers' compensation?

[9.30 a.m.]

Mr McKIM - Would you include his wages paid?

Mr DEAN - Not wages at this stage; I just want all the supplementary costs.

Mr McKIM - So you are after the search costs and his travel?

Mr DEAN - Travel, getting him across here -

Mr McKIM - I do not have that information but I will seek that now and provide it to the committee.

Mr DEAN - All costs associated with his employment.

Mr McKIM - Except his wages?

Mr DEAN - Except his wages, that is another issue.

Mr McKIM - We can get that for you.

Mr DEAN - In the statement provided, and it is a pretty well-known statement which is blacked out all over the place, it is suggested by Mr Greenberry that on 9 November he was

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informed - and there is a lot crossed out so I do not know what is there; I can suspect what is there - he had heard he was to be formally disciplined and had three months to go. That was back on the 9 November and I was told this was well known at work although I was oblivious to that fact. That is one statement made.

He also makes statements in there about being intimidated and bullied. He also makes the statements there that I was also subtly asked to consider an inducement to leave by taking the easy way out by agreeing to a restructure, which would enable him to exit the contract and be paid out the terms.

What was the relationship between Mr Greenberry, the Justice department and the senior people within the organisation? Mr Greenberry identifies that some of these things happened - what was that relationship?

Mr McKIM - The relationship between Mr Greenberry and senior departmental officials was a relationship that existed between a manager and managee. There are lines of authority, as I am sure you would understand, Mr Dean, given your background. Mr Greenberry's immediate senior was the Director of Corrective Services, Mr Williams, and ultimately Mr Overland runs the department.

Mr DEAN - What is there is not accurate - is that what you are saying?

Mr McKIM - If you would like to -

Mr DEAN - I have read to you the bullying, the intimidation, an inducement to leave the organisation - was that provided?

Mr McKIM - No.

Mr DEAN - No inducement at all of any nature?

Mr McKIM - No, correct.

Mr DEAN - No insinuation of an inducement?

Mr McKIM - That is my advice.

Mr DEAN - That is your advice?

Mr McKIM - Yes.

Mr DEAN - Where did you receive your advice?

Mr McKIM - From Mr Overland and I have absolute confidence in the advice he provides me.

Mr DEAN - What sort of discussions occurred between Mr Overland and Barry Greenberry?

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Mr McKIM - If the committee has a mind to resolve this in camera then I am quite happy for Mr Overland to provide further details about that but, as I have said, I do not believe it is appropriate to go through those issues in a public forum because of privacy considerations.

Dr GOODWIN - Minister, what contact do you have with Mr Greenberry in relation to these issues? He obviously tried to make contact with you; he had matters of concern that he wanted to raise with you. What I am really struggling with is that in the middle of an industrial dispute some time ago you famously said, 'I run the prisons'. I am really having trouble reconciling that statement you made in the middle of the industrial dispute with your hands-off approach to this particular issue, so what contact -

Mr McKIM - Your troubles are of no concern to me, Dr Goodwin -

Dr GOODWIN - What contact did you have with Mr Greenberry?

Mr McKIM - Your troubles are of no concern to me whatsoever. What I am concerned about is doing my best and I believe I have done as Minister for Corrections to make the improvements that I think we all accepted needed to be made in the Tasmania Prison Service.

In relation to contact with Mr Greenberry, I met Mr Greenberry quite regularly while he was in his position of Director of Prisons - as you would expect. I also met with Mr Edwards quite regularly in his position as Director of Change Management -

Dr GOODWIN - As I would expect you to do as minister.

Mr McKIM - Whilst he was Director of Prisons, Mr Greenberry did email me twice in relation to the matters that we are discussing. I responded after the second of those emails. I was on leave and outside the country at the time the first email from Mr Greenberry arrived. If I could say, as I've said continually through this process, there was content in Mr Greenberry's emails that I was very concerned about. That is why I formed the view that I should forward those emails in their entirety to the Integrity Commission. I still believe that was the appropriate thing to do.

There were other matters raised by Mr Greenberry that went more to internal employment or workplace issues, which I referred to the department for their information, took advice from the department on their response and I am entirely satisfied with the advice I received from the department. I believe, on advice from the department, that Mr Greenberry was provided with the support that he needed. He was provided with natural justice through the process and ultimately, as I have said, there was a settlement agreed under the Workers Rehabilitation and Compensation Act which was approved by the Workers Compensation Tribunal.

Dr GOODWIN - Minister, given that you just said that you used to meet with Mr Greenberry and Mr Edwards on a fairly regular basis, why would you not agree to meet with Mr Greenberry when he raised matters of concern with you?

Mr McKIM - Mr Overland advised me that it wouldn't be appropriate for me to meet with Mr Greenberry in the circumstances. I accepted that advice because I do not believe that ministers should interfere in the management of employees. They are operational matters that are best dealt with by the department.

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Dr GOODWIN - Surely, you must have been very concerned about the matters that he raised and how they impacted on your department, your prison reform process.

Mr McKIM - Dr Goodwin, allegations do not necessarily translate into fact.

Dr GOODWIN - No, that's why you might want to meet with him to sound him out and get some more information.

Mr McKIM - Mr Overland was meeting with Mr Greenberry and working through these matters with him. It was not and is not a minister's job to interfere in what are operational matters or -

Dr GOODWIN - Well, why were you meeting with him on those other occasions?

Mr McKIM - Because -

Dr GOODWIN - What was the point of that?

Mr McKIM - The point of that was to establish a relationship with Mr Greenberry, and Mr Edwards for that matter, to inform them of my general policy views on running the prison. The way it works is that the minister does policy -

Dr GOODWIN - I can't understand that, minister.

Mr McKIM - - and departments do implementation and operations. The reason I met with them is so that they could understand what my policy positions were in relation to a prison. That is what ministers do.

Dr GOODWIN - You must have had serious concerns that he wouldn't be able to implement your policy.

Mr McKIM - We do policy, Dr Goodwin. The reason I met with him is so that they could understand my policy and the reason that I did not meet after Mr Greenberry after he sent me those emails is that they went to operational matters which are the responsibility, quite rightly, of the department, not the minister.

Dr GOODWIN - But you do understand, though, if there are operational matters that are going to impact on the capacity of people to deliver your policy agenda, then wouldn't you want to satisfy yourself of those concerns?

Mr McKIM - I am satisfied with the response because I have full confidence in Mr Overland.

Dr GOODWIN - It seems to me that you're hands-on when it suits and hands-off when it doesn't.

Mr McKIM - Well, you can make any allegations you like. They don't bother me, really.

Mr DEAN - This is a position that impacts on you, minister, so one would have thought you would have wanted -

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Mr McKIM - Madam Chair, they are not questions. They are comments and, as Tony Jones says, I will just take them as comments.

CHAIR - Minister, I have a question. When you responded to the member for Elwick, Mrs Taylor's questions about the relationship and what the committee members who went to the prison and saw and what we considered - and I also agree with Mrs Taylor - that it appeared to be a very productive relationship. Do you think that the working relationship between Mr Edwards and Mr Greenberry ended up with this issue?

Mr McKIM - I am not going to -

CHAIR - Do you think that's something?

Mr McKIM - I have no reason to believe that's the case but I am not going to go into - I am not going to speculate about those matters. What I can say is that I have absolute confidence in Mr Edwards. He is now appointed to the position of Director of the TPS for a five-year period. I think that is an outstanding appointment for the prison service and staff in the TPS, and an outstanding appointment for the prisoners and ultimately for the community, because I know Mr Edwards shares my view that the primary goal of a corrections service is to make our community a safer place, firstly, by running a secure prison and, secondly, by giving prisoners the opportunity to turn their lives around so that when they are released, as the overwhelming majority of prisoners will be, that we have fewer of them re-offending and therefore less crime in our community.

CHAIR - Minister, we were also told when Mr Greenberry was appointed that it was an excellent appointment as well. I am not being flippant about that. I sat here and listened to that about how positive that appointment was.

Mr McKIM - That was my belief at the time. I make the point, of course, that I do not appoint Mr Greenberry to that position.

CHAIR - You obviously had a role in that, though.

Mr McKIM - No, not a direct role. What we need to get away from is ministers interfering in operational matters in departments. I have already had Mr Dean and Dr Goodwin suggesting that I should interfere in operational matters of the department and me explaining why I do not. The process that led up to Mr Greenberry's appointment was run on a hands-off basis from me, quite appropriately, because ministers interfering in appointments leads to jobs-for-the-boys allegations and I am not jobs-for-the-boys - I am proper process and proper process was an international search, a panel of qualified people to make that selection and then the appointment being made. That is the proper process to go through.

As I said, it has not worked out with Mr Greenberry and that is disappointing, but the TPS is on track to deliver the kind of improvements that all stakeholders want to see, that I think this committee, the House of Assembly and the Tasmanian people want to see.

Mr DEAN - I have a question on a meeting with the minister and Mr Greenberry, if I can just put it, and in asking the question it makes it difficult because it is blacked out and goodness knows what else.

Mr McKIM - I have not blacked anything out of that document, Mr Dean.

Mr DEAN - No, I am not suggesting you did. I said the document is blacked out, minister, and to jump on that is just being ridiculous.

In October 2012, I was asked by in the presence of [name excised by order of the Speaker] to produce savings plans which we know would be unacceptable to the government and therefore not likely to be implemented. There were two others at this meeting who can confirm this. I was told by [name excised by order of the Speaker] the minister was completely opposed to any idea of a prison litigation service and not to mention it which I later found to be untrue when talking to the minister. The minister can confirm having a discussion with me about this matter.

Minister, did you have a meeting and discussion with Barry Greenberry in relation to the prisoner litigation service? What was the result of that meeting and did he tell you certain things?

Mr McKIM - First, yes I did discuss the matter of - actually I should go back here. The words 'prisoner legal service' are not quite accurate.

Mr DEAN - 'Prisoner litigation service', it says.

Mr McKIM - That is not quite accurate, either. The proposal around this and the first this was brought to my attention was by Mr Greg Barns. The proposal around this was, in effect, a double-pronged proposal, if you like. The first was that some assistance be given to inmates in relation to preparing applications for the Parole Board. The second part of the proposal was that assistance be given to prisoners in relation to appealing internal decisions made in the prison, that is, under the director's standing orders. It was not ever pitched to me as assistance with what most people might define as legal matters which, to me, is matters to go the courts. That was not the proposal. The proposal was, as I have said, assistance around parole applications and conducting themselves through the internal processes of the prison that are set out by director's standing orders.

As it has happened, we have commenced the first of those, that is, inmates being given assistance in preparing parole applications; that is up and running at the moment and going well, on my advice. In relation to the second of those, around director's standing orders, I met with Mr Barns and explained to him that while we were going through the response to the Palmer recommendations, which included recommendations around reviewing and approving director's standing orders, I was not prepared at this stage to provide for that because I wanted to allow that review process of the director's standing orders to occur and I indicated to Mr Barns that I would have another look at that second part of his proposal in 12 months' time once we had had an opportunity to go through the director's standing orders.

I want to say that to you, Mr Dean, the words 'prison litigation service' are slightly misleading. I am not making the allegation; I am saying they do not encapsulate the proposal that was before me from Mr Barns and the proposals that I discussed with Mr Greenberry.

Mr DEAN - The point I am making, minister, is that Mr Greenberry was making it clear to you that he had been told that that would not be accepted. You are not saying that at all,

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according to what Mr Greenberry has said here, therefore would that not have registered with you that there was a serious breakdown, that he was being given incorrect information of your position in relation to that matter. What did you do about that?

Mr McKIM - I will come to it. I did discuss with Mr Greenberry those two matters - assistance for prisoners in preparing parole applications and assistance for prisoners in interacting in the internal processes of the prison but I do not remember Mr Greenberry saying to me that he had been advised that I did not support those and I have continually indicated to the department, including to Mr Greenberry, that I was interested in those issues and as it has happened, we have proceeded with the first and we will consider proceeding with the second in the future.

Mr DEAN - It is a pretty serious allegation so did you discuss that with Mr Overland or with anybody in your organisation?

Mr McKIM - Mr Dean, I am not sure if you are listening to what I said.

Mr DEAN - I have listened to what you said.

Mr McKIM - Which is that I do not remember Mr Greenberry saying that to me so I did not discuss it with Mr Overland because I do not believe Mr Greenberry said it to me.

Mrs TAYLOR - I would like to move on if that is possible.

CHAIR - We have one more in relation to this documentation and then we will move on.

Dr GOODWIN - Minister, in my recent memory of coming along to Estimates, and you have acknowledged this yourself, Corrective Services does not manage to come in on budget. It usually is over budget and that has been to a large part because of the prison overtime issue but there are other cost pressures.

Mr McKIM - We are making significant ground there, you will be happy to know, Dr Goodwin.

Dr GOODWIN - Yes, I am pleased about that. The question I have is, in this document there is a suggestion that Mr Greenberry might have been asked to prepare a list of savings that would be unacceptable to you. Given the cost pressures and the over-run in the budget every year, that must have been a matter of concern to you. Can you guarantee that that was never the case, that he was never asked to prepare a list of savings for you to consider that would be unacceptable because that totally defeats the purpose -

Mr McKIM - What I can completely guarantee is that my advice from Mr Overland is that that did not occur and I have absolute confidence in his advice.

Dr GOODWIN - Have you made it clear to Mr Overland, to make clear to others in the department, that that should never occur?

Mr McKIM - I have complete confidence in Mr Overland to run the department and -

Dr GOODWIN - You may but you are the minister.

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Mr McKIM - Yes.

Dr GOODWIN - And you want to see your policy agenda implemented so do you make your instructions clear?

Mr McKIM - Yes, I always make my instructions clear.

Dr GOODWIN - Was that one of the matters that you wanted to make clear?

Mr McKIM - No, there is no need for me to explicitly -

Dr GOODWIN - You were not at all concerned about it? The possibility -

Mr McKIM - No, because it did not occur.

Dr GOODWIN - You have asked for advice on that and you have received it so you do not feel it necessary to make it clear that you expect that whatever advice you were given is legitimate in relation to savings, given the cost pressures on the department.

Mr McKIM - You are asking me to get up and instruct the sun to rise in the east every morning, Dr Goodwin. I have complete confidence in Mr Overland. I have complete confidence in Mr Williams as Director of Corrective Services in Tasmania -

Dr GOODWIN - You had complete confidence in Mr Greenberry too.

Mr McKIM - I do not need to give them instructions as you have categorised because I have complete confidence in them. They are both highly -

Dr GOODWIN - As I said, you had complete confidence in Mr Greenberry. The other matter I noted from your ministerial statement and from the discussion we have had this morning is that there has been no acknowledgement of any work that Mr Greenberry did in the time that he was here. Did he do anything useful?

Mr McKIM - Yes, I believe that he did.

Dr GOODWIN - Give us some examples.

Mr McKIM - He ran the prison while he was here.

Dr GOODWIN - He ran it well?

Mr McKIM - I am not going to go into details of the employment issues that were being managed by Mr Greenberry.

Dr GOODWIN - I have not asked you to. I have asked you to make a comment on the contribution Mr Greenberry made in the eight months that he was here because there has been nothing to acknowledge any work that he did in anything that has been said today, in anything that was in your ministerial statement, so I am wondering what he did.

Mr McKIM - He ran the prison.

Dr GOODWIN - And he ran it well.

CHAIR - He met with some legislative councillors.

Mr DEAN - I think there needs to be another inquiry into this.

Mr McKIM - That is a matter for you and a matter for the Council. Actually, it's not a matter for you; it's a matter for the Council.

Mr DEAN - You're right; it's a matter for the Council.

Mr McKIM - I know I'm right.

CHAIR - Order. Mrs Taylor.

Mrs TAYLOR - Thank you, Chair. I want to move off that particular issue, because, as you say, we could do it all day and keep going round in circles.

Mr McKIM - I have been really clear with the committee. If the committee would like to consider resolving *in camera* then we can place some further details on the record but, out of respect for privacy of not only Mr Greenberry but every public sector worker in Tasmania, I don't intend to discuss those matters in more detail now.

Mrs TAYLOR - I have heard, minister.

CHAIR - The committee will have a discussion, perhaps, at the morning tea break but I doubt that will occur. This is an open and transparent process. I haven't discussed it with my colleagues but I am sure they feel the same. What we can't have on the public record isn't worth having.

Mr McKIM - It's entirely a matter for the committee, Madam Chair.

Mrs TAYLOR - You've told us and you've publicly said that Mr Brian Edwards now has a five-year contract; obviously a new contract; a contract separate to the one he had before. What effect does that have on his previous contract and his salary? Does that negate his previous contract or does he have two contracts at once?

Mr OVERLAND - By agreement his old contract has expired and he has entered into a new five-year contract. The basic conditions are maintained in the new contract - that is, his salary remuneration level is maintained.

Mrs TAYLOR - As his old contract salary.

Mr OVERLAND - Yes, as his old contract. And some other incidental support for relocation costs and some travel expenses to and from the UK continue to be contained in the new five-year agreement.

Mrs TAYLOR - So, it's not the same remuneration level, for instance, as Mr Greenberry had?

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Mr McKIM - No.

Mr OVERLAND - No, it's not.

Mrs TAYLOR - Because he is being asked to do a bigger job?

Mr OVERLAND - He has been asked to continue to perform the change management role and, in addition to that, take on the position of Director of Prisons.

Dr GOODWIN - Could I clarify that? So, he's not getting any extra money?

Mr McKIM - Hang on, Dr Goodwin, you can clarify it to me and if I wish I will ask Mr Overland. That's the way these things work.

Dr GOODWIN - Okay, well he was answering that question, but, of course, I direct it through you.

Mr McKIM - Thank you.

Dr GOODWIN - I wouldn't have suggested otherwise. Sorry, I looked at Mr Overland; I will confine myself to looking at you in future. Minister, given that he is now performing the role of director and the role of change manager, is he being paid any additional amount on top of what he was being paid as a change manager?

Mr McKIM - On top of what Mr Edwards was being paid as a change manager?

Dr GOODWIN - Yes, on top of what he was being paid as a change manager.

Mr McKIM - No, he's on the same salary as Mr Overland, as just advised.

Dr GOODWIN - He's on the same but he's being asked to do two roles.

Mr McKIM - That's right.

Dr GOODWIN - Okay. Bargain for money, by the sound of it.

Mr McKIM - I'm glad you think so.

Mrs TAYLOR - I would like to go back to the situation at this time last year. In the inquiry we heard from Mr Edwards when you were present that it was very early in the change process -

Mr McKIM - Yes.

Mrs TAYLOR - and that significant new management systems and programs were being put in place and it was too early at the time to tell us how they were progressing.

Mr McKIM - Yes.

Mrs TAYLOR - I would be really interested to know how the change process is going.

Mr McKIM - Well, it's going very well, Dr Taylor, as I articulated for you -

CHAIR - Mrs Taylor.

Mrs TAYLOR - That's all right.

Mr McKIM - I'm sorry, Mrs Taylor. It's Dr Goodwin up the other end. I just promoted you; perhaps it was an honorary doctorate, Mrs Taylor. I do apologise for that.

Mrs TAYLOR - Let's not be picky.

CHAIR - Just making the records correct.

Mr McKIM - Good on you, Madam Chair.

It's going very well, Mrs Taylor, as I said in my overview statement. We took all of those reports that I mentioned in my overview statement and we've wrapped them all together into the Tasmania Prison Service delivery plan. We've taken all of the recommendations of those reports and created, if you like, the Tasmania Prison Service delivery plan. That delivery plan, the amalgamation of all of those reports, has 333 recommendations in total so that's a lot of recommendations, obviously, and we have already implemented 261 of the 333 recommendations, which is a 79 per cent achievement rate. I am very pleased with that and it is a credit to Mr Edwards, his senior management team and all of the staff as well as external stakeholders at the prison.

Some of the other recommendations will require infrastructure upgrades. Members of the committee would be aware that we have PIRP - prison infrastructure redevelopment project - stage D underway and if the committee wishes I can give further details about that. The early works package of that is in the process of being completed and we have recently, only a couple of weeks ago, received back the extended exercise yards in some maximum security units, including the unit that was previously known as the Tamar Unit. We do not call it the Tamar Unit anymore because we have significantly improved the operating model at the Tamar Unit in line with the recommendations from the Ombudsman's inquiry into that unit. We have very recently been able to utilise the extended exercise yards but there are other recommendations in some of those reports and, therefore, in the TPS delivery plan that will require further infrastructure works. I would anticipate the rate of achieving those recommendations will plateau off a little bit because some of them will require infrastructure works which obviously take time to complete.

Mrs TAYLOR - Thank you, that is a very good general overview. I was hoping to drill down a little more and maybe in Estimates is not the time; maybe it is for a time when you might make time available with the director for detail. Last year we were told that there were significant changes in management staff; for instance, giving each unit its own management responsibility and management of its own overtime and so forth. We were told that we would get an update on that and I am not aware that we have had that sort of update, which I would like at some stage. When you say 270-odd of those recommendations have been - as you say yourself, the number or the percentage is not the issue - some of the easy ones are easy; it is the hard ones that are hard. At this time last year - and I guess I probably need to leave that until we get to capital investment - we talked about that \$20 million; a significant amount of that was expected to be

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expended on capital works, which obviously has not as yet been expended because a lot of it has been rolled over, so when we get to that I would like some detail on that.

I would like, rather than an overview, if you had any either now or at some other time, an opportunity -

Mr McKIM - So what is the specific question, Mrs Taylor?

Mrs TAYLOR - I want to know what has happened with those plans that we were told were happening?

Mr McKIM - Are you talking about management structure at the prison?

Mrs TAYLOR - That is one of the things, yes.

Mr McKIM - I might ask Mr Edwards to join us at the table, with your permission, Chair, and I would be more than comfortable if Mr Edwards was to respond to you, Mrs Taylor.

CHAIR - Welcome, Mr Edwards. It has probably been a difficult time sitting over there listening to all the talk about yourself and now you will be able to respond.

Mr McKIM - Chair, this is Mr Brian Edwards OBE, who is our director of the TPS and also continuing to do the job to manage the change process. Mrs Taylor, if I could ask Mr Edwards to address your specific questions around the management structure of the prison.

Mrs TAYLOR - Thank you.

Mr EDWARDS - What we are trying to achieve is for prisoners to move from zero employment to 100 per cent employment. We have set up a smaller, more focused senior management team so we have reduced that by 25 per cent to just heads of department. Each head of department has team leaders now allocated to them and each team leader has then gone on to the matter that I described last year, where we have split them into smaller groups. Following the success of the Tamar Unit, places like that now have twin units so we have now the Huon Unit, which is a step-down to Tamar - where we have the more violent prisoners with whom we are doing behavioural management, that will now move to a step-down unit where the Huon team who were specially trained then tried to normalise their behaviour before they go back into a normal situation.

To us, it has been a huge success with greatly reduced violence within the establishment and the Huon now are leading the way of the step-down unit because they have – unfortunately, the building site has jumped in because we are living in the middle of this current building site - got our good cultural stuff and other things going, so Huon are in with our growing vegetables and everything for the Second Bite charity, so we are providing stuff going down through. Currently, we are on a full inspections program and I inspect everywhere every month; when we walk around, when I do inspect, we look at resources, staffing, overtime spent in that area, managers' awareness of what is going on, their budget, how they are managing their budget, how we are stepping that budget down to them, where we are going with it and their forecast spend on each roster. A roster period is a set period of time, so when we present a new roster, each time my senior team personally inspects the roster and then I will question the managers one-to-one on their use of resources as we are going through.

For instance, we could have had in the past 10 000 hours in overtime; currently, we are down to 200 on each roster period because we are questioning and we are using our staff more flexibly. Where the place used to be working in a silo situation, which I explained to you last year, we have now split that across and staff have embraced the change, in my view, very well. They are now using it in a very flexible manner, so even the trained staff in Tamar and Huon are being flexibly used across the whole area and that has brought the overtime down to a great extent. Our industries, which used to be a separate entity, have now been moved into our education and centres management group because we have a feeling that our industries should be linked to TAFE rather than just delivering laundry, that there should be a certificate for some education part on that so we have moved that in, which I did explain we were going to move into last year.

We are currently under way on a fairly large project, which I think I did explain last year, and that was about centralising the roster system and electronically moving towards that. I think we are very near the end of that and my expectations would be that around the end of June or July we should be able to move forward on that electronic stuff. Our team leader development courses are under way next week; I was a bit disappointed that they did not run in October, but we have those up and running next week - that is for middle management - and it is starting to build up on the surprise that even I had when we found there were no staff appraisals going on in the Tasmanian Prison Service. We are currently at 10 per cent opened staff appraisals so far and that is with the senior management team. I have started at the top but you will acknowledge, I hope, that because you have not had staff appraisals for this long, the first thing we have to do is train all staff in what staff appraisals are about and develop that technique, so we have started on the senior management team and we are working through a full training program for appraisals throughout the year.

Our target would be to be as near to 100 per cent as we can by July next year; however, we must take into account those people who are not well. It would be unfair to visit them and put appraisals in place, so we might very well be just under that 100 per cent. That is the target for next year.

Dr GOODWIN - Minister, can I ask a question on the staff appraisals? I was a bit concerned to hear then something about staff appraisals, or perhaps performance management, were not being done previously; is that correct?

Mr McKIM - Yes, that is correct.

Dr GOODWIN - So there was no performance management at all?

Mr EDWARDS - There was nothing much in place.

Mr McKIM - As you know the government is rolling out a whole of government performance management framework. When I took over the prison portfolio, performance management was done in a more ad hoc way than I was comfortable with and that is part of Mr Edward's job with moving forward to implement all the rest of the performance management program.

Dr GOODWIN - When you say 'ad hoc', what do you mean?

Mr McKIM - It was not done as regularly or as consistently as I would have liked.

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Dr GOODWIN - There was not a structured way of doing it? Not everybody would go through a process every year or two years?

Mr McKIM - I cannot provide you with details about how often people would have gone through a process. I will see if I can seek that advice but Mr Edwards is not going to be in a position to provide that as he was not around at the time.

Dr GOODWIN - Okay. Does that apply across Community Corrections as well? Is there now a structured performance process in place?

Mr McKIM - I will ask Mr Williams as Director of Property Services, to answer that.

Mr WILLIAMS - Community Corrections is more advanced and the history with the prison is that that was a second order issue once we got the place stabilised but Community Corrections is 100 per cent.

Mrs TAYLOR - If I could continue, minister, that is what Mr Edwards indicated, the forecast for last year, and I am pleased to see that progress has been made.

I am a little disappointed that something like the appraisals is only 10 per cent rather than in a whole year and it is disappointing that he said, 'We hope to do that' in October last year. We will do it in June, or whatever, because that is important. Given that significant progress has been made in management change, is it not of concern to you that although there are downward trends, we are looking at something like 10 per cent less overtime because we have been asked earlier this year for extra appropriation for, among other things, the prison.

Mr McKIM - The 10 per cent relates to sick leave - 10 per cent on the average level from the same time period of the previous two financial years.

The kind of changes that we are trying to make at the TPS will take time. I have been consistent in my advice to this committee. This might even be our fourth go around now for me as minister for Corrections in terms of budget Estimates and I have consistently articulated to the committee that the sort of change we are talking about, particularly the cultural aspects of that change, will take a significant period of time.

That is demonstrated by the position to appoint Mr Edwards for a period of five years, not only as director of TPS but also to continue that change process for a longer period of time than was envisaged by Mr Palmer when he made the recommendations in his report which was for a two-year period for the director of change management.

I am not telling you that we have arrived at the end of the journey but we have commenced the journey and we have made significant ground to making our prison system functioning in the way the community wants to see.

Mrs TAYLOR - That is the point of my question - last year that is what was said and I accepted that and we were told that we will not be able to achieve the overtime savings all in one year but we hope to make significant progress. We will not be able to do the whole change management in one year but we will make significant progress.

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Mr McKIM - I would argue that we have made significant progress. Our KPIs show that. We have some KPIs which I would be happy to table. First, if I could draw the attention of the committee to a graph on average overtime costs per pay period for 2011-12 and 2012-13. I table that, Madam Chair. Members will see a significant downward trend over the last few months in our overtime levels and I am happy to go into further details about that. I also have a report on KPIs for the last three months at the prison. I will table this as well. We have had no deaths in custody due to unnatural causes and we have no serious assaults on staff.

Mrs TAYLOR - Since?

Mr McKIM - Year to date; that is financial year to date.

Mrs TAYLOR - I thought you said from 1 March in your statement.

Mr McKIM - No, I believe I said to date. I will just confirm that for you but certainly it is true to say year to date we have had no serious assaults on staff, although there have been some, unfortunately, staff assaults that are not categorised as serious. We do not have any tolerance at all for assaults on our staff. We do everything we can to minimise their occurrence and if they do occur we respond very strongly to those circumstances. We also have a KPI on a number of escapes and year to date I have no escapes from custody from 1 July to 30 April 2013.

We have also our consolidated fund performance versus allocation which you touched on, Mrs Taylor, in terms of bringing the prison in on budget. We do not expect to bring the prison in on budget for the current financial year.

Mrs TAYLOR - Even with the extra appropriation?

Mr McKIM - Yes, that is correct. However, in April 2013 the expenditure was less than the allocation for that month for the first time since the indicator was established. I am not suggesting to you that the journey is complete but I am suggesting to you that we are making significant grounds in relation to bringing the prison in on budget. I have been very clear with the department that it is my expectation that in the upcoming financial year the prison will come in on budget. I believe that we have a good chance to achieve that although, of course, I cannot give an absolute guarantee. Prison budgets are impacted by many things. They are quite volatile environments at times, as you would appreciate, in the context of the type of people that we have incarcerated in our prison system and I have learned not to take anything for granted in the portfolio but I believe we have a good chance to bring the prison in on budget in the upcoming financial year.

CHAIR - Would you like to make a comment on the workers compensation premium? There is an increase.

Mr McKIM - I will table the HR report.

CHAIR - There is an increase of 57.7 per cent and that is obviously attributed to the result of the claims history so -

Mr McKIM - I will provide the committee -

CHAIR - While you are doing well in some areas there are still some areas that are -

Mr McKIM - Madam Chair, I am not sure what figure you are quoting from. I think you are quoting from the whole-of-department figure there.

CHAIR - How much is attributed to the TPS then?

Mr McKIM - In the TPS - I am talking about workers compensation claims and I have the previous four years' figures here. In 2009-10 - and this is TPS claims - 36; 2010-11, 79; 2011-12, 73; and then year to date 2012-13, 49. So again this is a trend down in terms of the current financial year although, as I have said, I take nothing for granted and I note obviously that we have not yet finished the current financial year. On those figures if the trend were to continue we would expect another decrease for the current financial year in terms of workers compensation claims.

Mr OVERLAND - In calculating the premium, they use what is called a rolling three-year average so that means it is our performance two to three years ago that has a bigger impact on the premium that we are paying now. Whilst we have had a drop this year and if we can sustain that, which is very much our focus, and in fact not only sustain it but further reduce it, it will take two or three years for that to wash through and be reflected in our premium. In effect the premium increase is because of bad performance over the past two or three years; it doesn't really reflect what has happened in this financial year.

[10.15 a.m.]

Dr GOODWIN - I was going to ask about that premium issue because it is obviously related to claims history. We raised this issue in debate on the supplementary appropriation bill of the impact of Mr Greenberry's claim on the premium so that will be caught up in this rolling three-year average as well. Do we know how significant an impact it will be?

Mr McKIM - I haven't received any advice on that but I am happy for Mr Overland to respond to this question.

Mr OVERLAND - You are right in that it will have some impact on the premium, as any claim does, but it is not a significant impact given it is one of a number. Obviously, we want to have as few claims as possible but it won't be materially significant on the premium.

Dr GOODWIN - Minister, in terms of the premium, it must be a premium that is there for the whole department and the prison is allocated a certain proportion. How does it work in terms of the premium for each section?

Mr OVERLAND - The premium is paid by the department. It is an issue we have thought about, whether we allocate responsibility for the premium to the area that incurs or influences the premium. We haven't done that. We deal with it on a departmental basis but it is a priority for the department to improve the safety in the workplace. Obviously a big part of that is the prison because it is a high-risk workplace and because it has had a higher number of injuries than any other part of the department. This is a priority right across the department, both to improve the level of safety first and foremost so that we don't injure staff, but the secondary consideration is the financial impact, that the better we perform in prevention that will eventually flow through and reduce the amount of premium that we pay.

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Dr GOODWIN - Because, as I understand it, minister, with the supplementary appropriation bill there was something like a 57 per cent increase in the premium, or thereabouts, which seems quite large.

Mr McKIM - In relation to the department or the whole of government?

Dr GOODWIN - I think that must have been the whole -

CHAIR - The department.

Dr GOODWIN - The department, yes.

Mr McKIM - As Mr Overland said, the impact of the circumstances around Mr Greenberry -

CHAIR - We'll see that next year.

Mr McKIM - I am not verballing here but it wouldn't be a large amount.

Dr GOODWIN - Something else that emerged out of that discussion with Mrs Taylor was: what is the anticipated deficit for this year for the TPS?

Mr McKIM - For the prison budget?

Dr GOODWIN - Corrective Services or whatever -

Mr McKIM - It will be about \$1.8 million, on my advice.

Dr GOODWIN - And that is after that extra appropriation?

Mr McKIM - Yes, that is the deficit in relation to the budget.

CHAIR - So, the parliament will see another supplementary appropriation?

Mr McKIM - They are matters for the Treasurer, not for me.

CHAIR - Well, where is the \$1.8 million going to come from if we don't see it coming through the parliament?

Mr McKIM - I have just been advised that is not the case, Chair. We will, as is normal practice within government agencies, -

CHAIR - You'll take it from somewhere else.

Mr McKIM - find those funds from somewhere else in the department. Can I, at this stage, thank in advance some of my cabinet colleagues -

CHAIR - Who don't know it yet.

Mr McKIM - who may find their allocations a little bit - well, not allocations but they may come to our assistance. What we are trying to do here is address an extremely long-term

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structural issue, both in terms of the structural budget in the prison but also in terms of how the prison has been operated for a long period of time. We are making significant progress in a range of areas, including bringing the prison in on budget. We are not there yet but, as I have always indicated to this committee, these things take time but I am confident that we are well on the path.

CHAIR - Thank you. Mr Dean - overtime.

Mr DEAN - Minister, what is the projected overtime for the end of this financial year, in monetary figures?

Mr McKIM - I will see if I can find it, Mr Dean. I am trying to think how to present this in a form that would be reasonable for you. Perhaps if I go back a couple of years, 2010-11, this is the dollar figure spent on overtime - 2010-11 \$5 102 899; 2011-12 \$5 055 872; year to date \$4 165 617; and an estimation for the full financial year that we are currently in of \$4 685 617. You can see that is heading in the right direction but if you look at the graph - I am not sure if you have a copy in front of you -

CHAIR - This was provided to members last week.

Mr McKIM - That shows that it is in relatively recent times that we have started to see a decline as expected and I anticipate that next financial year we will achieve a significant improved result in this area.

Mr DEAN - There has been a decrease, it is not huge if you look at the overall amount at all, so my question is, I suspect that Mr Greenberry put some of these changed positions in place or with the assistance of the change manager. I would suspect he was involved because that is what he told us during the meeting we had with him late last year.

CHAIR - November.

Mr DEAN - That he was working very hard in relation to this so did Mr Greenberry play a role in the new changes that occurred in reducing overtime?

Mr McKIM - Of course he played a role in it, he was the Director of the TPS.

Mr DEAN - You have not been very complimentary of Mr Greenberry so far so I thought it was time for you to get in and make some statements.

Mr McKIM - I do not accept the truth of that statement Mr Dean has just made.

Mr DEAN - What is going to be done in relation to overtime, to continue to reduce it to an acceptable amount and I am not sure what an accepted amount is?

Mr McKIM - This is part of the broader change process that is occurring in the prison and we have our absence management strategy which is in the process of being implemented to address the ongoing level of unplanned absences in the TPS and the costs arising from those. The sick leave rate -

Mr DEAN - Minister, sorry to interrupt you, but is that a follow up of why people are on absences? At our meeting, we discussed all of these issues -

Mr McKIM - It has now been implemented and we much more actively manage absence in the TPS, and sick leave rate for the TPS is now below international benchmarks for prisons at less than 10 days personal leave per staff member, per annum.

In relation to workers compensation, as part of our absence management strategy, significant work has commenced to return staff to duty as quickly as possible, to reduce staffing pressures. I am pleased that the number of workers compensation claims in the TPS has reduced significantly in the 2012-13 year. We have better injury management processes and structures in place. We have a focus now on a safer workplace and that is in part delivered through implementation of the recommendations of the Workplace Standards Tasmania report that forms part of our TPS delivery plan and we will maintain these areas as a focus in the coming year. I am confident that we will see further improvement across a range of KPIs at the prison.

Mr DEAN - The other question is that during the committee there was concern about cultural changes within the prison service, that there had been no approach from the prison service here, senior people, to talk with those in New South Wales who are said to be leading the country in relation to cultural change within their prisons. Has that now occurred?

Mr McKIM - I will ask Mr Williams to respond in the first instance but can I say that there are very regular meetings of people who are directors of Corrective Services, so in the equivalent position around Australia to Mr Williams. Mr Williams attends those meetings regularly. I have also met with all other corrections ministers around the country and at those meetings we discuss a range of issues in relation to some of the issues. Mr Edwards, I understand, has presented to other people in his equivalent position. I do not know where you get the information that you believe New South Wales is leading the country. I do not know of any accepted measure around who is leading the country in change. What I know is that our change process is well on track down here, Mr Dean. This gives me the opportunity to announce to the committee something else we intend to do at the prison that I think will bring about really positive change and that is that we will be banning smoking at Risdon prison from 2015.

CHAIR - There will be a lot of cranky prisoners, minister.

Mr McKIM - Madam Chair, I would welcome the opportunity to step the committee through this.

Mr DEAN - That is good news.

Mr McKIM - Thank you.

CHAIR - I am not saying it is not good news, I am just saying there will be some cranky prisoners.

Mr McKIM - Madam Chair, the reason this came into my mind now was that at an event in Adelaide that Mr Williams and I attended last year we were presented to by a very senior administrator in the New Zealand prison service. They have successfully implemented a smoking ban in New Zealand prisons. There were two key points to her presentation. One is that you need a long lead time here which is why it is our intention to move the Tasmanian prison system to be smoke free by February 2015, a long lead time.

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The second really important point she made and it is something that we have really taken on board is that you need to fully consult in the development of your implementation plan and we intend to do that. We will consult with staff at the prison, we will consult with prisoners at the prison and we will consult with people like unions and other service providers to us in the prison system. We have a duty to provide a safe workplace for correctional officers and we also have a duty to do everything we can to deliver a healthy environment for inmates in our prison system. A ban on smoking delivered with that long lead time to February 2015 I believe will deliver that.

CHAIR - Minister, I am mindful of the time. I appreciate your announcement but the committee has a lot of questions.

Mr DEAN - It is an important issue.

CHAIR - It is an important issue but the announcement has been made. In relation to the smoking policy, Dr Goodwin

Dr GOODWIN - I have a question directly on the smoking policy. The other learning out of New Zealand was that they had a specific funding allocation around the rollout of their no smoking in prisons. There obviously will be a need for things like nicotine patches and whatever support is required, so will there be a specific allocation to help roll this policy out?

Mr McKIM - We will be working through that as we work out our implementation plan. It is our intention to complete implementation of our smoke-free plan in February 2015. The first job we have to do is review the current situation. As you probably know, Dr Goodwin, we already have a number of non-smoking areas both within Ron Barwick and also within RPC so we will review the current situation and associated issues and risks over the coming months and then once we have done that we will, in full consultation with unions, with staff and with prisoners, develop an implementation plan. The potential costs will be considered as part of that implementation plan and we would anticipate the commencement of the implementation of that plan to occur in February 2014 and be complete by February 2015. In terms of the costs you are right - there will be a significant cost to this because nicotine replacement therapy - and there is a range of ways you can do that - is expensive when it is done on a large scale. All of those matters will be taken into account during the development of our implementation phase.

Mrs TAYLOR - Is it budgeted for?

Mr McKIM - It's not a specific line item in the budget; I've only announced it five minutes ago.

Laughter.

Mrs TAYLOR - One presumes you thought about it before you announced it, though.

Mr McKIM - Well, yes, we've been discussing this for a period of time. As I said, what we need to do is go through and understand what the costs are likely to be. It would be my hope that we could deliver this within the budget but if we can't then we'll look at other mechanisms to do that, but I think the most important thing is to work through the plan first and come to an understanding of what the cost is likely to be.

CHAIR - Minister, I'm aware that there's been an increase of around 27 staff at the prison.

Mr McKIM - It's a little bit more, off the top of my head.

CHAIR - The last time I asked in the parliament, I was told 27.

Mr McKIM - Yes.

CHAIR - I want to know what the updated figure on that is and then Mr Dean wants to ask about the dismissals.

Mr McKIM - No worries; I'm sure we can accommodate both of you. First, we have increased staff numbers by 43.

CHAIR - I'm glad I asked.

Mr McKIM - On top of it, we didn't misinform you, Madam Chair.

CHAIR - No, that was -

Mr McKIM - We have very recently had another graduation of correctional officers. Mr Williams is just pointing out that we have recruited an extra 43 but, of course, there may be a little bit of natural attrition.

CHAIR - So, it's not an additional 43.

Mr McKIM - It's a new 43 people who have joined us, but over that period of time there would also, as is inevitable in large organisations, be a degree of natural attrition in relation to the workplace.

CHAIR - So, what is the actual gain to the TPS?

Mr McKIM - Yes, I have those figures here, thanks to Mr Overland. Just in the TPS, or in Corrections more broadly?

CHAIR - TPS.

Mr McKIM - Just the TPS. Full time equivalents have gone up from 349.89 in May 2012 up to 388.79 in May 2013. In terms of the head count, that is up from 453 to 491. To save your calculator finger, Madam Chair, the increase in FTEs is 40.88 and the difference in head count is 38. That's an increase in both of those.

CHAIR - Mr Dean? Dismissals.

Mr DEAN - The committee was told at one stage that there had been two personnel, I think, from the prison officers who had been asked to seek other employment because of, I think, issues within the prison – absences, overtime and a lot of other issues. Has there been any counselling of personnel within the service in the last 12 month period, of officers not meeting standards coming up to the requirements of the prison service and their employment?

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Mr McKIM - In general, I don't have advice in terms of the number of dismissals. I'm happy to take that on notice if you'd like it, Mr Dean.

Mr DEAN - If you would, thank you for the hassle.

Mr McKIM - Madam Chair, can I ask for clarification? Are they usually provided in writing to us?

CHAIR - They are.

Mr McKIM - They are so you'll write to me at the end of this -

CHAIR - You will receive a list of the obligations that you've undertaken during the day.

Mr McKIM - I can indicate, Mr Dean, that in terms of anyone who is going through some of the processes that occur within the TPS, or even within the public sector more broadly, they are offered access to an employee assistance package including a provider, in terms of providing counselling and support for them. That is standard across the public sector, as I understand it.

CHAIR - Okay. Minister, before we break for morning tea and come back, can I just get your view? I've just been thinking about your offer to go into committee. My question is, before I put it to the committee, is what would be the difference in finding out Mr Greenberry's personal information to us either in camera or without? Wouldn't that be the same?

Mr McKIM - Perhaps it might not make any difference to you but my concern, as I've consistently articulated, is people's privacy here. That goes, I think, to all public sector workers in Tasmania having a legitimate expectation that their performance details would not be discussed publicly.

CHAIR - Right. I was just thinking through that. But you're still sharing his personal private information.

Mr McKIM - Well, yes, because the committee has expressed a strong desire for that to occur. As I've said, it's the publishing -

CHAIR - That's all. I was just asking the question before I put it to the committee. We will suspend for morning tea and return in about 12 minutes' time, thank you.

The committee suspended from 10.35 a.m. to 10.52 a.m.

CHAIR - Minister, you have something that you would like to clarify with the committee from a previous response.

Mr McKIM - I will get Mr Overland to update a previous response he gave to a committee around the way workers compensation premiums are allocated.

Mr OVERLAND - Madam Chair, in response to Dr Goodwin's earlier question about allocating a premium, I said we did not allocate it. The benefit of having my finance director in

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the room is that he has immediately corrected me and said that we do actually allocate the premium to the outputs. I just wanted to make sure my information was correct.

Dr GOODWIN - To be strictly correct for the record, I think it was a 57 per cent increase that was mentioned when we were debating the supplementary appropriation bill. Does that specifically relate to corrective services?

Mr McKIM - No, that is the department.

Madam Chair, Mr Williams now has an answer to Mr Dean's question around the costs of the search for Mr Greenberry.

Mr WILLIAMS - The total costs in employing Mr Greenberry were around \$77 000 which included the recruitment fees, his relocation costs and his temporary accommodation costs when he first arrived.

Mr DEAN - So, \$77 000 for recruitment, and all of those others were subsidiary costs?

Mr WILLIAMS - Yes. That does not include any salary.

CHAIR - I would like to invite Mr Finch to open the questioning.

Mr FINCH - We are moving on to Corrective Services. The home page says:

Corrective Services enables people who are found guilty of offences to achieve socially responsible behaviour, thereby reducing re-offending and contributing to a safer society.

So it is a nice feel-good statement. I know that from the figures that you mentioned in your opening statement that you probably would like to expand on some of those before I get to specifics of Corrective Services. You might like to talk about some of those figures you mentioned earlier that were trending in good directions.

Mr McKIM - Just to be clear, Mr Finch, Corrective Services is the umbrella that covers both Tasmania Prison Service and Community Corrections, so am I right that you are asking about community corrections?

Mr FINCH - Community Corrections, yes.

Mr McKIM - As I indicated in my overview, there has been a significant increase in demand for services from Community Corrections in 2012-13. We think this is a vote of confidence in the services that we provide in Community Corrections. We have certainly seen a change in sentencing patterns through the judiciary including the magistracy whereby there is more sentencing to Community Corrections compared to previous years. This is in line with our Breaking the Cycle strategic plan, which is that the prison should be a last resort in terms of sentencing. We recognised that we needed to make Community Corrections more attractive to people between sentences, judges and magistrates, and also we wanted to make it work as well as it could in relation to making our community a safer place.

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A couple of highlights from the Community Corrections during the year; the highest number of completions of supervision orders in Australia, even though the ratio of offenders to operational staff is higher than the national average, so that it is an outstanding outcome that has been delivered through our hard-working staff in Community Corrections. We have enabled increased delivery of the Sober Driver program and trained an additional eight probation officers to deliver this program. I thank the Road Safety Advisory Council and the RACT who have both assisted us in funding the increased delivery of the Sober Driver program.

We have delivered statewide training to probation officers in terms of specialised skills to deliver effective interventions to work with community-based sex offenders and, in the main, these are sex offenders who have been released from prison. This is about reinforcing the gains that we hope they have made by doing courses or participating in programs in the prison. We believed, and have moved forward on the basis of this belief, that we needed to do more to reinforce those gains in our community once they have been released from prison and therefore we are starting to deliver those interventions in the Community Corrections sector.

We have expanded the number of community service order project sites for offenders statewide. That is the places where people on community service orders work and there are a range of places, from private residences, pensioners who have trouble mowing their lawns and need a bit of a hand; there are neighbourhood houses, bowls clubs and a range of places that people work at under community service orders.

We have enhanced the process of providing reports to the courts. We have continued to deliver a family violence offender intervention program and that has rolled out statewide. We have continued to implement the agency's first formal induction and orientation training programs for probation orders.

In terms of performance indicators in the budget papers, Community Corrections met both its targets for 2011-12. The completion rate for community supervision orders was 92.5 per cent which is better than the target of 90, and the cost per offender per day was \$11.74, better than the target of \$12.

Mr FINCH - Does this mean that we are reducing - is that what it comes down to?

Mr McKIM - Those measures do not necessarily mean that. I will find my -

CHAIR - There has been an increase, has there not, percentage wise - 27.8 per cent compared to 26.1 per cent for reoffenders within two years.

Mr McKIM - The proportion of Community Corrections offenders returning to corrective services was lower than the national average, as was the rate for return to prison.

CHAIR - But it is still higher than it was last year.

Mr McKIM - I will provide you with some advice on that, Madam Chair. We rely on the Report of Government Services, the RoGS figures, which go to recidivism rates. The proportion of Community Correction offenders returning to Corrective Services was lower than the national average. The proportion of prisoners and Community Corrections offenders, people who interact with Corrective Services either within prison or Community Corrections, who received new community-based sentences was higher than the national average. This reflects broader trends in

sentencing where Tasmania's Community Corrections numbers have been increasing while the other states' numbers have been decreasing.

In summary, compared to the national average, Tasmanian offenders, both prisoners and community-based offenders, were less likely to return to prison but more likely to return to Community Corrections. As I said, that is in line with our goal in our Breaking the Cycle strategic plan, which is to have prison as the last resort.

Mr FINCH - The Breaking the Cycle plan, that is about to complete? You are in the completion stage?

Mr McKIM - That is our strategic plan for Corrections in Tasmania and when we were about to announce that, Mr Finch, I did ask the department when the previous strategic plan for Corrections was launched and we could not find one previously, so it could even be the first strategic plan for Corrections since the Port Arthur days, for all I know. It is a ten-year strategic plan; I announced that probably a couple of years ago, so we are in the early period of a ten-year plan. I think ten years is about right for a strategic plan. It is intended to guide the way we do corrections for a significant period of time and it outlines in the introduction my philosophy as minister and also the aims and goals of the TPS and of Community Corrections, which were established through a lengthy consultation process with key stakeholders.

Mr FINCH - When does your review of that occur? The first tranche?

Mr McKIM - I do not think I have announced a review. The Breaking the Cycle aims are included in the TPS delivery plan I spoke about in my overview and as we achieve those aims they are included as part of what is currently a 79 per cent achievement rate for all of the recommendations that we are working towards.

Dr GOODWIN - Minister, before you leave that, do you mind if I jump in on that? There is, as part of that Breaking the Cycle plan, a two-year action plan from 2011-13 and as I understand it there will be a second action plan to follow that and a review of the strategic plan. I am trying to get a feel for when that might happen and whether you are actually tracking progress.

Mr McKIM - The last part of your question I got was how are we tracking progress, is that right?

Dr GOODWIN - Yes.

Mr McKIM - The first part of the answer is the same as the answer I just gave to Mr Finch, which is that a number of the aims and goals in Breaking the Cycle have been imported into the TPS delivery plan, but I do note that Breaking the Cycle is also around Community Corrections, not just the TPS, and we are tracking how we are going in implementing that, so that is a continual process of understanding how we are travelling.

I think you asked about a formal review of the action plan.

Dr GOODWIN - Yes, as foreshadowed in the plan itself.

Mr McKIM - My view is that I would like to leave that until a little bit later, potentially towards the end of this year. Obviously, there has been a fair bit happening in the TPS and I

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really want the focus to be on continuing our successful implementation of the delivery plan at the prison, and I would like Mr Edwards and all his staff, as they are, to stay focused on that. Once we have given that process a little bit more time, I think it would be more appropriate to conduct a review then rather than now.

Dr GOODWIN - In terms of that delivery plan, where you have wrapped everything up, all the recommendations and things including, you have just said, some stuff from Breaking the Cycle, are you going to make that public or is it publicly available so that other people can -

Mr McKIM - Do you mean in terms of which of the recommendations, specifically?

Dr GOODWIN - Yes, exactly - what has been implemented, what has not.

Mr McKIM - With one caveat, I do not see a problem with that. Obviously, I will not make anything public that might compromise the security and the good operations of the prison or, for that matter, Community Corrections, so I will take some advice on the level of detail that I am able to provide. Perhaps if you would be satisfied if that could be put on notice -

Dr GOODWIN - Yes, of course, yes.

Mr McKIM - as a question and I will seek that advice. I just need to be careful that we do not release anything that might compromise the security and the good operations of Corrective Services.

Mr FINCH - The addendum to this output speaks of increased demand and cost pressures as accounting for the increase from about \$6.7 million this financial year, we go to \$8.8 million in the coming financial year and the forward Estimates show a steady increase to \$9.3 million for 2016-17. Can you tell the committee what is behind that increased demand and cost pressures?

Mr McKIM - Yes. As I said in overview, I accept a very high-level comment from me, the increased demands were self-evidently through a substantial increase in numbers of offenders sentenced to the kind of services that Community Corrections provides. In terms of the budget, as members would be aware, there was an additional \$2.5 million recurrent funding allocated to the Corrections portfolio as part of the Consolidated Fund Appropriation (Supplementary Appropriation for 2012-13) Bill 2013 and of that \$2.5 million, \$1.4 million has been allocated to Community Corrections. This will allow us to meet the increased demand for community corrections services and allow for the continued delivery of programs and other interventions that we run.

I will give you a little bit more detail on that increase in demand, Mr Finch. These are figures from January 2010 to January 2013 - three years; there has been a 37 per cent increase in offender numbers, a 96 per cent increase in community service orders and a 12 per cent increase in probation orders. We have also seen a dramatic spike in the number of pre-sentence reports, the number of pre-parole reports and its screening assessments from 1 616 in 2009-10 to 1 940 in 2011-12. There have been significant pressures in relation to the way we are responding with our increased budget allocation. We have recruited, or are in the process of recruiting, the following positions: a permanent appointment of a community service order coordinator to cover the north and north-west regions of the state; the permanent appointment of a 0.5 FTE probation officer position in the north and a 0.5 FTE probation officer position in the north-west; the fixed-term appointment of 1.0 FTE probation officer position in the north and also 1.0 FTE probation officer

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position in the north-west; the fixed-term appointment of 1.0 FTE probation officer position and 1.0 FTE community service order support officer position in the south; and the appointment of 2 report writers in the south on a fixed-term basis.

Mr FINCH - Can I come in there?

Mr McKIM - I have finished.

Mr FINCH - Anecdotal evidence suggests that this area of community service orders is hopelessly overstretched. Is that enough people to cover the increase that has been reflected in your previous figures?

Mr McKIM - There were significant pressures in Community Corrections prior to the actions that I have outlined to you in terms of the extra budget allocation and the subsequent work that has been done to reduce those pressures. They were significant pressures and were brought to my attention, as they should have been, by Mr Overland and Mr Williams. When they were brought to my attention, I had a discussion with the Treasurer about those matters and she was good enough to provide some extra funding in these areas to address those pressures.

We still have an offender-to-operational-staff ratio that is higher than the national average but, as I have indicated, we are delivering outstanding outcomes. Again, I can't offer anything other than gratitude and admiration for the way our staff in Community Corrections have dealt with these issues. In response to your question, Mr Finch, yes, there were significant pressures starting to emerge and I believe the actions we have taken, and are in the process of taking, will mitigate that pressure.

Mr FINCH - I know one 20-year-old fellow wanted to fulfil his community service hours and it was stretched out over such a long period and he was looking at going to Victoria to seek employment but it was over such a long period of time because of the lack of opportunity to have that officer or probation person with him to see him through that quickly enough.

Mr McKIM - I do not know the details of that individual case, Mr Finch, but I acknowledge that there was significant pressure in Community Corrections and that is why I went to the Premier last year and that money was announced in the response to the mid-year financial report. That has allowed us to put in place a number of additional staff and take some other action internally to reduce the pressure on staff and allow us to provide a better service to those people who are sentenced to the services that Community Corrections provides.

Mr FINCH - Can I ask about the parole board? I know the parole board operates independently from Corrective Services but receives secretarial and administrative assistance from Corrective Services and I cannot pin down a figure for that.

Mr McKIM - You are after the cost of the administrative support that is provided?

Mr FINCH - Yes, please.

Mr McKIM - I do not think I have that here but I could get it for you. I will confirm this in potentially more detail but my advice is that the cost of the board is about \$110 000 a year and there is one FTE staffer who supports the board.

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Mrs TAYLOR - That is on top of the \$110 000?

Mr McKIM - Yes. That cost would generally be sitting fees and so forth for the board and it is funded from the Community Corrections budget.

CHAIR - What level would that administration person sit on?

Mr McKIM - It is level 6, which my advice is a salary of about \$72 000.

Mr DEAN - To follow up on the probation and parole, what is the position with the follow-up contact made with people who are on parole? How often does that happen? What is the policy position in relation to that?

Mr McKIM - It might be opportune to ask Ms Ginna Webster to come to the chair. She runs Community Corrections.

Mr DEAN - Ms Webster might be able to cover that and those who have breached parole and a follow-up to those situations and how successful parole is in this state.

Ms WEBSTER - The question regarding how often probation officers would see people on parole depends on their independent risk level. When they first come out of prison we would see that that first three months, regardless of their offence, would be high risk because they are transitioning back to the community. We would see them approximately every week, or every two weeks for that three months.

Mr DEAN - Are those visits documented? How is that controlled within the department?

Ms WEBSTER - Every interaction that a probation officer has with an offender is recorded in a case note system and information that needs to be provided back to the board is provided in a formal report. As the offender progresses through their order, depending on how they are progressing towards their goals, we would do a follow up assessment and their risk level may be downgraded because they are starting to address their goals, they are re-integrating into the community, and we would see them less and less as time goes on, or continue to see them at a higher level if we are not happy with their progress.

Mr DEAN - The breaches?

Ms WEBSTER - The breach question I have to take on notice. The number we had is published in the parole board annual report so I can provide that information.

[11.15 a.m.]

On probation officers, because the Parole Board's secretary sits within Community Corrections, there is a very good relationship and liaison between probation officers and that secretary of the board so they would be in contact via email or phone or face-to-face contact if they are concerned about a parolee. So at times it might be just a conversation with the secretary and the Parole Board or it might be that the probation officer thinks the offender need to be appear before the board, just to make sure they keep on track, or it might be an actual breach of parole. Once again, we try to work within the goals of the offender and the individual risk level of the offender.

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Mr McKIM - In more of an overview fashion, Mr Dean, we are aware of the need for a very close working relationship between Community Corrections and Tasmania Prison Service, and that is because a lot of people that are paroled will then be effectively handed over from the custody of the TPS into the care and responsibility of Community Corrections. Ms Webster and Mr Edwards are working very closely together to improve the relationship between the TPS and Community Corrections and particularly improve this through case management that starts when someone would come in, if they were incarcerated into the TPS, runs right through their time with the TPS. Then the handover period is crucial so Ms Webster and Mr Edwards are working very closely together to improve particularly the way that handover works so that there is greater continuity for the prisoner in those circumstances when he or she is being released. We know that is the high-risk time for inmates, when they are first released, and the more supports we can provide for them at that time the better the chance of good outcomes.

Mr DEAN - My last question is: how many parolees would we have in this state at this time?

Ms WEBSTER - There are approximately 115 to 120 on parole and that figure has been relatively stable for the last few years but I can provide the exact figure; I could make a phone call.

Mr DEAN - I think that is sufficient.

Mr McKIM - The other thing that I should talk about in the transition out of prison is that I have recently opened the O'Hara cottages, which are our independent living cottages on site at our Risdon complex but not inside the wire; they are a very minimum security facility. We currently have some prisoners living in those cottages and, again, that is about assisting in the transition, particularly for long-term inmates and trying to give them some of the life skills that they will need when being released from prison.

Mr DEAN - How many does it accommodate and gives a free run?

Mr McKIM - It is not quite a free run; we obviously have some security there which I won't speak about in detail and I am sure you would understand that, but it accommodates 12, there are currently 2 but we would expect to have it full or close to full in September this year.

Mr DEAN - Thank you, minister.

Dr GOODWIN - On that, how many cottages are there all up?

Mr McKIM - There are four, from memory, so 12 total beds.

Dr GOODWIN - So three in each.

Mr McKIM - Yes.

Dr GOODWIN - Was it intended that there would be more than that at one stage?

Mr McKIM - No, I do not believe I have announced at any stage that there would be more than that.

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Dr GOODWIN - I thought last year we were told something slightly different but it is fine; this is the most current information obviously. In the 2010-11 budget, Community Corrections had a recurrent allocation of \$1.1 million -

Mr McKIM - That was an extra recurrent allocation, that is correct.

Dr GOODWIN - Yes, so that was applied to community corrections, was it, and this is an additional increase now because demand keeps growing?

Mr McKIM - That is effectively right. That \$1.1 million was effectively absorbed in the subsequent state budget so that became part of the recurrent allocation and then the \$1.4 million is on top of that.

Dr GOODWIN - You mentioned that Tasmania does have quite a high offender-to-staff ratio within Community Corrections; with these new positions that you have mentioned, do you expect that offender-to-staff ratio to become more manageable? Do you know how much it will be affected?

Mr McKIM - It is hard to know because you cannot predict what future impacts might be so it is very hard to predict 3 or 6 or 12 months down the line exactly how many people will be sentenced to community corrections.

Dr GOODWIN - Although there is obviously a trend emerging.

Mr McKIM - Certainly the extra staff would mean that that ratio would come down, all other things being equal. Whether all other things are equal is something I can't answer.

Dr GOODWIN - The 96 per cent increase in community service orders: do you have any idea what's at the heart of that? Obviously, it is being used more as a sentencing option, but do you know why?

Mr McKIM - I will ask Mr Williams to respond.

Mr WILLIAMS - I think it's a number of things. There was a change in the Sentencing Act which included doing community service work in with more sentencing. I think probably, more broadly, it reflects the confidence with which the magistracy is seeing Community Corrections. We've gone through a major reform process over the last few years which Ginna has led. We have a KPMG report. We restructured to make it more effective and more efficient. Obviously, these new positions will change that ratio. Our view is that that will make the workload manageable, along with all the things we've done in reviewing the structure and how we work - taking probation officers away from report writing and putting in specialist report writers - there is a whole raft of things.

Things like the Sober Driver Program have been welcomed by the courts as an option that is therapeutic in its nature and gives them greater confidence and I think the real change in Community Corrections has been that, even though it had these enormous pressures in terms of numbers, we've maintained a strong drive forward to put programs in so that it's not just a supervision process but there's actually an outcome. Sober Driver, for example, as tested in New South Wales, shows a reduction of recidivism for people doing that course of 44 per cent, which is a massive outcome not often found in corrections programs.

CHAIR - New South Wales are leading the way, aren't they?

Mr WILLIAMS - We thank them for letting us have the program.

Dr GOODWIN - Minister, on that Sober Driver Program, the department's annual report mentions that there is a high number of offenders waiting to do that program. I'm wondering whether that's still the case and what measures will be put in place to address that wait list.

Mr McKIM - It's certainly something that has been embraced in terms of sentencing patterns and, therefore, sentencing decisions made by the judiciary and the magistracy. My advice is that there is a high demand, particularly from the Magistrates Court, of course, for the Sober Driver Program.

We have delivered 36 Sober Driver programs around the state. To date, a total of 408 offenders have successfully completed the program and that constitutes 88 per cent of offenders completing in 2011-12. I'm aware that there is a high demand for this.

I will ask Ms Webster to respond if she's comfortable with that. I know there is a high demand and I don't have specific advice before me anyway. Perhaps Ms Webster could help the committee there.

Ms WEBSTER - Thanks, minister. I can provide the exact numbers on the waiting list on notice if the committee desires but we found that the additional funding from the Road Safety Advisory Council was specifically to address that backlog. What we've been able to do in the south of the state is to immediately roll out some of those programs. We've done that out of hours; we've run a Saturday program and we're currently running a Monday night program. Anecdotally, we believe that we're keeping up with demand in the south of the state at the moment, although we won't know that until towards the end of the financial year, obviously.

In the north and north-west of the state, because our numbers of staff are much smaller, it has been more difficult to run those programs so we're just in the process of recruiting specific facilitators who will be employed to run that program for two days a week, each in the north-west and the north, so that by the end of the year we hope the backlog will be cleared. That's our aim; that was the aim of the \$180 000 we were given by the Road Safety Advisory Council. I am confident that once we clear that backlog, because we've had extra staff trained and we have some extra positions in place, we should be able to maintain the referrals, provided, as the minister said, we don't see another spike.

Our aim is to clear that backlog this year. I can certainly provide the exact figures to the committee on notice.

Dr GOODWIN - Minister, if I could also ask about the C and D program - the court mandated diversion program - because that now sits within Community Corrections. I am interested to know what the level of funding is for that program and the staffing - if there are dedicated staff managing that aspect.

Mr McKIM - I do have a brief on this - it does not have the funding. I am not sure if Ms Webster can assist us there.

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Ms WEBSTER - Currently it is approximately \$1.4 million per annum that is provided from the commonwealth Department of Health for C and D annually. In terms of the staffing, we have dedicated staff that just work within that unit in each region and currently the unit is fully staffed in each region.

Mr McKIM - If I could just add to that, Dr Goodwin, as at 23 April there were 66 offenders actively participating in the core mandated diversion program around the state. That is 31 in the south, 18 in the north and 17 in the north-west, and there were also across the state 31 assessments being undertaken for potentially eligible offenders or offenders awaiting sentence.

Dr GOODWIN - Minister, in terms of the total number of staff, is it possible to get a figure on that?

Mr McKIM - I am sure we could.

Ms WEBSTER - Yes.

Mr McKIM - If you would put that on notice, Dr Goodwin, we will provide that.

Dr GOODWIN - There has been some discussion around a cap on the number of places so I am wondering if you could elaborate on what that cap is and whether there is a wait list at the moment as well for that particular program.

Ms WEBSTER - The cap is 80 across the state, with 40 in the south and 20 each in the north and north-west. That includes offenders who are currently on the program and of course from time to time some of those offenders may be incarcerated because of sanction days. There may be also some offenders waiting for assessment. I can provide you with the wait list because obviously that changes from time to time for each region. At the moment we believe that cap allows us to provide quality interventions to the most serious offenders rather than the scattergun approach to a larger number of offenders with the funding that we receive.

Dr GOODWIN - Minister, if I could just be clear in terms of this additional \$1.4 million, that will just cover those staffing positions that you have outlined. There will not be any new programs added to the current suite?

Ms WEBSTER - Not new programs as such, minister.

Mr McKIM - No, they will cover the current staff positions we have outlined. The changes that makes internally frees up extra time for people to do other things, but there is no specific creation of new programs from that funding.

Dr GOODWIN - Minister, in your overview you mentioned the community-based sex offender treatment program, which sounds more like a sort of tailored one-on-one provision. How long that has been going for and what numbers that have been through or are being managed at the moment?

Mr McKIM - This basically stems from a recommendation in the 2011-12 parole board annual report that community-based sex offender intervention commence as soon as possible to ensure best outcomes for offenders and the community. In 2013-14 we are anticipating the introduction of new interventions for offenders on community-based orders including improved

interventions for sexual offenders. We will be introducing specialised sex offender supervision based on best practice. You have to be careful in this area because offering poor interventions and programs to offenders can actually be harmful and counterproductive and has been shown in research to increase the risk of re-offending which is clearly not what we are trying to achieve here. Also we believe utilising the group program from another jurisdiction would not be appropriate for Tasmania due to our comparatively small and geographically dispersed offender population in this state. This is about individual interventions for sex offenders. The manager of offender programs has drafted a model for community-based sex offender case management and interventions. It is a five-stage implementation model that is currently being implemented and will be fully operational within 18-24 months.

[11.30 p.m.]

That might sound like a lengthy implementation period, but there is a lot of ongoing training that needs to be delivered in order for this to be successfully implemented and that will also allow for a period of review and monitoring of the new model. We have a model that is based on contemporary empirical research and other systems currently operational in other states and countries, with alterations made to accommodate the specific needs of the Tasmanian community and offender population.

In terms of where we are in the process, in June 2012 we had a UTAS School of Psychology masters student commencing a preliminary study into the risk management needs of sex offenders. We expect this to conclude in November this year. The manager of offender programs has already delivered training to probation officers working with sex offenders in 2013 and staff assess all sex offenders using a specifically designed risk-needs assessment and then monitor and manage the offender accordingly. We have had an e-crime investigator from Tasmania Police also deliver a session to Community Corrections staff in April 2013 on the detection of child pornography. Community Corrections is currently supervising 30 sexual offenders subject to probation parole or community service orders. As I indicated earlier, a high proportion of sex offenders on community-based orders have been in prison. Of the current 30 that have been supervised by Community Corrections, 26 have been incarcerated.

We are in the early stages of rolling out this intervention but I am confident that it is specifically tailored for Tasmanian circumstances and ultimately will help us do what we are all about in corrections, which is make our community safer.

CHAIR - Thank you. I am always mindful of the time so, minister, before we leave this area - and I know there are other questions - prisoner costs: the daily average prisoner cost and its comparison to the Australian average. I think it is important for all Tasmanians to understand how much it costs.

Mr McKIM - We are now calculating the cost per day in a way that is more in line with other states and territories. As you would understand with the federal system in Australia, some data collection in different jurisdictions is not done with entirely identical parameters and therefore there have been issues from time to time and it is across all portfolios around making national comparisons but, as I said, we are now calculating this in a way more in line with other states and territories. Our net recurrent expenditure per prisoner per day of \$289.

CHAIR - It is \$289, so compared to other jurisdictions?

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Mr McKIM - I do not have all jurisdictions. Victoria, \$268; the ACT, \$313. If you would like me to run through that?

CHAIR - I would be happy for you to table that, minister, if you would like to.

Mr McKIM - Because it is on a bit of paper with a whole bunch of other information -

CHAIR - But it might be useful for the committee.

Mr McKIM - It might be, but I will just need to read through it and see what is actually on there. I will table that information if you put the question on notice, Madam Chair.

CHAIR - Good try.

Mrs TAYLOR - Madam Chair, can we ask is that Risdon or is that right across?

Mr McKIM - No, that is across the system.

Mrs TAYLOR - It does not include Ashley?

Mr McKIM - No, Ashley is not within the Corrections portfolio; that is Health.

CHAIR - That is an anomaly.

Mr McKIM - We could have a long philosophical discussion about whether or not youth justice detention centres should be within the Corrections portfolio or not. If the committee would like I would be happy to have a philosophical discussion.

CHAIR - Not today.

Mr McKIM - Madam Chair, if you are interested I could put the 2011-12 figures on the record for all other jurisdictions or I could certainly provide this on notice.

CHAIR - We would like to table it because I am mindful that a couple of members might have a very important question before we have to leave this because if we do not start on sustainable transport at 12 o'clock I will probably get the sack today.

Mr McKIM - Mrs Taylor might have something to say about that.

Mrs TAYLOR - We will not have lunch, will we?

CHAIR - Mr Dean, you had something because we have not talked about the capital grants and infrastructure yet.

Mr DEAN - I have a couple of questions. The prison's reporting and so on that is currently done - pre-sentence reports - is there any backlog on that? Last year there was an indication that there were hold-ups within the court processes because of the failure to get all the pre-sentence reports before the courts. What is the position now? Are there any court hold-ups or are they being done on time and as required by the courts?

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Mr McKIM - Not that I am aware of but I will ask Ms Webster to provide some advice on that.

Ms WEBSTER - We have made some streamlines to those reports. We negotiated with the court around the provision of reports, making sure the courts get what they receive and no more and no less so that we have a negotiated process. I have not been made aware of any delays in terms of provision of reports. We negotiate with the courts around timeframes from time to time because we have to get collateral information from other sources. Sometimes that is from Mental Health Services, Drug and Alcohol Services and a range of other agencies so we negotiate but there is no hold-up that I am aware of.

Mr DEAN - The other question is about electronic bracelets for home detention. Have we progressed there or are we continually relying on the cost as prohibitive. I find that difficult to accept.

Mr McKIM - We have done substantial work to develop a proposal to trial electronic monitoring in Tasmania. That was set out in our Breaking the Cycle strategic plan but we have put that project on hold due to the current financial climate in order to concentrate on other priorities.

Mr DEAN - It is operating well in other states, as I understand it?

Mr McKIM - I will ask Mr Williams to give you an update on what he understands is happening in other jurisdictions.

Mr WILLIAMS - Most other states are using it to some degree, smaller ones not so much. There are different ways you can use it. A lot of sex offenders are monitored, post-release, with GPS-type bracelets. Other jurisdictions use a curfew-type system. It is pretty standard in a number of jurisdictions to use that monitoring.

Mr DEAN - What is the cost of having an electronic bracelet on an offender that is given home detention or similar?

Mr McKIM - I do not have any figures on that but it is relatively expensive and it is the monitoring that is more expensive than the technology.

Mr DEAN - Are you able to get a costing on it? You must have it if you are saying it is too expensive.

Mr McKIM - It is a little hard because we have not been in the market seeking quotes for the technology and have not done the work necessary to understand the full monitoring costs. Any costs I could give you would be an estimate and I am not comfortable in doing that.

Mr DEAN - I find it surprising, when the department relies on the cost as a reason for not implementing it, that I cannot be told what the cost might be.

Mr McKIM - The prison is not likely to come in on budget this year, so any extra expenditure in the corrections portfolio needs to be considered very carefully, and it has not come in on budget for a large number of years. We have other priorities, including meeting our KPIs and coming down on workers compensation, sick leave and lockdowns and increasing out-of-cell

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hours, increasing education; all those things I spoke about. In that context, we have put this project on hold in order to concentrate on those priorities.

Mr FINCH - I have an observation or comment and then can we seek your response? When we did our inspection of the prison services, one confronting area for me was the medium security section. The prisoners were gathered around, not much activity, and we heard talk about a lack of exercise yards and diversion activities or employment activities. The prisoners did not seem to have, it seemed to me bizarre that when we built the new prison that we did not have the facilities or the operations commensurate with making sure that prisoners have the activities that stop them being in that brooding situation that we saw.

Mr McKIM - I could not agree more, Mr Finch. I have commented on a number of occasions that I basically inherited a half-built prison and the big deficiencies in my view were facilities to deliver programs including education, recreational and industry facilities. All of those are being addressed through the PIRP Stage D process and some members of the committee may even have been on the public works committee that examined PIRP Stage D.

CHAIR - We are aspiring to get there.

Mr McKIM - Aspiring to get there, Chair, thank you. I am not disagreeing at all with what you have said in relation to what was delivered through the initial construction phases of the prison. PIRP Stage D has always been envisaged to occur. In an ideal world it would have all happened at once and we would not have had to attempt to deliver the services we do deliver through a prison that basically has not finished being built yet. PIRP Stage D will address a number of those infrastructure requirements, including industry.

Mr FINCH - In the meantime, minister, for those medium security prisoners?

Mr McKIM - In the meantime, we have made some significant improvements. As I said, we have more than doubled education, for example, in the prison over the last two years. Mrs Taylor is laughing.

Mrs TAYLOR - Doubled only depends on where you started from, but you are right. No, no, it is good.

Mr McKIM - Well, no, doubling is doubling. I thought you were laughing because I am also the education minister.

Mrs TAYLOR - No, progress is good.

Mr McKIM - As I said, we have doubled education which is, I am sure, something that all members of the committee would be happy to hear. In the last two years we have also significantly increased the number of section 42 permits, which are effectively a leave pass system - section 42 of the Corrections Act. We are up to just around 11 000 per year now, up from, from memory, less than 1 000, sort of 500 in 2008, so that has gone up 20-fold in five years which I am really pleased about and really proud of.

The PIRP Stage D project is a \$20.17 million project. I will not go through it in full detail unless the committee requests me to, in which case I will be more than happy to, but it does include, really quickly, an activities and education centre for both maximum and medium security

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prisoners, Mr Finch; a new industries building that will allow us to be flexible in the terms of the prison industries we provide; it will also provide vocational and education and training opportunities; modifications to the medium education building which will now provide a new secure drug testing facility; the exercise yard extensions I mentioned earlier that were recommended by Mr Palmer; and modifications to the transition unit, which is the unit formerly known as the Tamar Unit - I always think about Prince there, the artist formerly known as Prince - the transition unit; an upgrade to the gatehouse; vehicle locks; a purpose-built TRG unit and an upgrade to electronic security systems including CCTV and duress alarm systems. A number of those deficiencies you have quite recently highlighted, Mr Finch, will be delivered through PIRP Stage D and we are working on that as hard as we can.

If I could just add, Mr Williams reminds me quite rightly that the recurrent costs associated with PIRP Stage D, that is PIRP Stage D is the infrastructure or the capital investment but of course once you have got the buildings you need to have the people to run the education programs and the other activities in those buildings and we have funded the PIRP Stage D recurrent costs in the state budget this year. It is not just a question of having the shells of the buildings and the facilities and not having the people to deliver the programs so we funded the recurrent costs.

Mrs TAYLOR - If I could just follow on from that. I was going to ask this in the capital investment program because this is really related to that, I suppose, but I could ask it now and then I will not have to ask it later. In last year's budget you had something like a \$20 million capital investment.

Mr McKIM - \$20.17 million.

[11.45 a.m.]

Mrs TAYLOR - Yes, that is correct. We asked then and we were told again about the program you are talking about and all the things you were going to roll out. It was information that you would get a fair amount of that spent in this current financial year. It was obvious to someone who is not in the prison service but who does have some knowledge of planning and so forth that to get buildings designed, to get planning permission - and you did not at that stage have Aboriginal heritage agreement to build on this - you were not going to be able to spend the \$20 million and do the whole lot in one year. You have \$14.87 million in this year's budget so one presumes you have spent \$5 million and a bit, so what have you done with the \$5 million of that program that is in PIRP D?

Mr McKIM - First is the early works program that I spoke about earlier. These were some of the smaller but no less important works. We have commenced an early works program and there are some immediate benefits to prisoners in maximum security through the extension of exercise yards. This also addresses a key finding from Mr Palmer's report. Three of the new larger exercise yards - that is, Derwent A, Derwent B and Mersey - have been completed and handed back to the TPS with the Huon unit scheduled for completion in the near future. That is part of what we have done. The rest of the expenditure would be around the planning, preparation and working through the broader PIRP D package, and I can take you through that now.

Mrs TAYLOR - There is no time, unfortunately, to do that but if you would table that that would be lovely, or table the information at least.

Mr McKIM - If you put the question on notice.

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Mrs TAYLOR - My question is: you have \$14.87 million for this year, you have nothing in that program for future years as far as I can see in the budget, so what are you going to build with the \$14.87 million and will that complete the infrastructure?

Mr McKIM - The PIRP project had more than just D number of stages, if I could put it like that. I would have to go back to see whether any subsequent stages after D related to the Risdon site, but I might need to take some advice on that.

Mrs TAYLOR - It is Risdon that I am talking about.

Mr McKIM - The revised project scope of works currently comprises a new activities and education centre for both maximum and medium security-related prisoners; a new industries building that will allow flexible opportunities for employment, vocational training, development and purposeful production as appropriate and we will be modelling that on really successful trade training centres that you would be aware of; modifications to the existing medium education building which will provide a new secure drug-testing facility; modifications to Derwent A and B maximum units as well as Huon and Mersey maximum security accommodation units involving increasing exercise facilities and providing multipurpose spaces for programs, education and other prisoner development activities; modifications to the transition unit, as I detailed before - again, new exercise facilities, multipurpose spaces for program education and other prisoner development activities; upgrade of the gatehouse to allow for improved functionality within the existing master control room; the establishment of a new incident management facility; a new vehicle lock that will be a back-up access or egress point in the event of an emergency but also providing access to and from RPC for PIRP D construction contractors; a purpose-built TRG unit which is being constructed to free up space in the gatehouse to facilitate the incident management facility and upgrades to electronic security systems including upgrades of the CCTV and duress alarm system.

Mrs TAYLOR - Does that complete the program for all the activities that you would want prisoners to be involved in so they do not have to stay in their units all day?

Mr McKIM - Who is staying in their units all day?

Mrs TAYLOR - When we were there in November visiting, we visited medium security, and there were certainly prisoners there who were not in their cells but in their complex all day.

Mr McKIM - The PIRP project is across all of our prison. It is an infrastructure plan, for example - and I know your highly esteemed former President Mr Wing would be and in fact was happy to know that there was a new prison for Launceston somewhere down the track in the PIRP project and also a replacement for Ron Barwick, which is a 1960s facility that is currently our medium-security prison. When you ask, 'Will it finish the prison?', I presume that you are specifically asking in relation to the Risdon Prison complex.

Mrs TAYLOR - Risdon. Yes, I am.

Mr McKIM - My advice is it will significantly complete the prison. There would always be other things that we would like to do but they would be considered in the context of the state budget by any government of the day. PIRP D is the only prison infrastructure redevelopment capital expenditure that is currently flagged.

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Mrs TAYLOR - Yes, because that is all you have in this year's budget but nothing in future budgets.

Dr GOODWIN - Minister, regarding recommendation 2 of the Palmer report on the independent prisons inspectorate - we have this discussion every year and so I am after an update on progress.

Mr McKIM - Yes, we are making progress, I have at least one meeting scheduled for the near future with the Ombudsman - it is actually Mr Williams who is going to that meeting - and I anticipate taking the proposal to cabinet in the very near future.

Dr GOODWIN - But there is not a provision in the budget of forward Estimates for -

Mr McKIM - No, if we are going to introduce - that is my intention to and to do so we would need to fund that from the existing budget.

Dr GOODWIN - How much work has actually been done on it?

Mr McKIM - Quite a bit, there is a draft cabinet minute and there are just a couple of matters that need to be cleared up between Mr Williams and the Ombudsman, and once that is done I expect the minutes to be provided to meet the signing, as I said, hopefully in the near future.

Dr GOODWIN - Do you have a structure in mind?

Mr McKIM - Yes.

Dr GOODWIN - Is it quite well progressed in that respect?

Mr McKIM - The structure we have in mind is to - it sounds a bit crude but - bolt the inspectorate onto the Ombudsman's office, I do not think it is appropriate or affordable for Tasmania to have a stand-alone inspectorate of the style that Western Australia has, and you would be aware that that evolved in relation to one particularly tragic incident around prisoner transport in Western Australia. But I think we need a fit-for-purpose inspectorate here in Tasmania and with the OPCAT - Optional Protocol to the Convention Against Torture - protocol now being signed I think there will be more scrutiny anyway.

Dr GOODWIN - We have to comply with that, don't we?

Mr McKIM - Yes, that is right. It is a commonwealth protocol but I think that, as it comes in, will over time result in a more rigorous inspection regime, not only for TPS but for the Department of Health and Human Services in relation to the Wilfred Lopes Centre, for example - so yes, I am still committed to it, the model we are talking about is effectively bolting an inspectorate onto the Ombudsman and obviously the Ombudsman would need extra funding for that to occur. It would not be reasonable to expect him to fund that out of his existing budget. That is certainly not the intent. I had a personal discussion with the Ombudsman about this some time ago, Mr Williams has been in contact with him and my understanding is that there will be a meeting soon.

Dr GOODWIN - So we might have an announcement about that this calendar year, do you think?

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Mr McKIM - I could not flag or pre-empt a process but I can tell you what my intentions are.

Dr GOODWIN - In relation to the PIRP stage D operational costs, are you able to provide the detailed breakdown of what those costs will be? If you want to do it on notice, that is fine.

CHAIR - It will have to be taken on notice, minister, because we still have one line item after this to get through before 12.00 o'clock.

Dr GOODWIN - Could I ask for something else on notice in relation to your major initiatives; could you indicate what the safety and security issues are that have necessitated the extra funding for the Launceston Reception Prison and also the medium-security accommodation?

Mr McKIM - Yes. Would you like an answer?

CHAIR - We will take it on notice.

Dr GOODWIN - Another would be: the summary of all costs associated with the Hayes Prison Farm sale and an update on progress in relation to that.

Mr McKIM - I have that here but will have to put it on notice to the committee.

Dr GOODWIN - Also, if you could give us an update on progress in the dispute concerning the maximum-security cells and the managing contractor around that. Could we also ask for some prison capacity and occupancy rate figures?

Mr McKIM - I can take that on notice. We've got all those.

Dr GOODWIN - That would be terrific. It would be quicker than anything else. I think that's probably it.

Mr DEAN - I have a feeling this area's not going to be closed off, somehow. Minister, on the reception -

Mr McKIM - All the work we've done and no time to give you the answers.

Mr DEAN - Sad we can't get it as well.

On the reception building at Launceston, it's been indicated that there have been lots of security issues and so on. How many security issues, how many breaches have we had that could be directly related to the current structure that we have in place there? Do we still have long termers incarcerated at the prison in Launceston?

Mr McKIM - I'm not sure how far back you want to go in terms of breaches but, as is publicly known, on 15 June last year, three prisoners did breach the confines of LRP. They were quickly pursued and recaptured before they were able to leave the premises but the incident did highlight an infrastructure-related concern at the facility. The \$1 million allocation is to address the immediate security and life safety issues at LRP.

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Mr DEAN - Will that work be done this year, minister?

Mr McKIM - In the upcoming financial year.

There was another part to your question, Mr Dean.

Mr DEAN - You've covered only one security issue. There was the question on the long-term prisoners.

Mr McKIM - No, there aren't long-term prisoners incarcerated there.

Mr DEAN - There used to be.

Mr McKIM - Yes, that's right. We've changed the operating regime because we believed that it would be preferable that there was no-one residing long-term at LRP.

Dr GOODWIN - Madam Chair, can I add a further question around the prison industries. Could you give us an update on progress on any work as to what the future prison industries might look like, particularly since in PIRP stage D there's a new industries building as well.

Mr McKIM - Our focus around PIRP D is about creating an industry facility that is flexible and will allow us, if needed, because demand and opportunities change over time, to respond to any change in opportunities around prison industries. We've also invested in a significantly upgraded vegetable processing facility in Ron Barwick.. If you haven't been out to see that, I'd welcome the opportunity to facilitate a visit out there for you, Dr Goodwin. You probably remember the Hayes scenario where it was basically a bunch of blokes sitting in a freezing cold shed peeling potatoes; this is a far upgraded facility to that and allows us to offer significantly enhanced training opportunities in food preparation.

We're also doing a number of other things. We're moving forward on things like worm farm composting facilities so that we can re-use some of the waste products that we generate through the prison.

Dr GOODWIN - I am conscious of the time so I am just wondering whether you might be able to provide a more detailed answer on notice. I understood that there was originally some work that was going to be done by the university on prison industries and then it was decided it would be done in house within the Justice department so I'm wondering what happened to that work.

Mr McKIM - I can provide further information. Waste reprocessing is something that we're having a good look at at the moment. I'm happy to take that on notice.

CHAIR - Thank you, minister. As we know, there's never enough time. I have a couple of questions in relation to Consumer Services before we get onto sustainable transport.

Mr McKIM - Consumer affairs often ends up crammed into the last couple of minutes, which is most unfortunate.

CHAIR - I know. Next year, I'm going to make sure we start with that.

Mr McKIM - Good on you.

CHAIR - We also appreciate that prison services or corrective services is important.

Mr McKIM - Absolutely.

**Output group 8
Consumer services**

8.1 Fair, safe and equitable marketplace -

[12. 00 p.m.]

CHAIR - In relation to Consumer Services, I am interested in understanding why the KPIs do not really match up. I have looked at the Tasmanian Industrial Commission where they report on the clearance rate and timeliness. Minister, if you might address your mind to getting that area also in that sort of mode of reporting in that line?

Mr McKIM - When you say the KPIs do not quite match up, I am not quite sure what you are referring to there, Madam Chair.

CHAIR - I am interested in more the number of compliance actions and the number of investigations and it is something that is not clearly articulated.

Mr McKIM - Are you talking about our reporting frameworks here?

CHAIR - Yes, the reporting aspects of it.

Mr McKIM - I am very happy to take that on board and we will have a look at whether our reporting framework is accurate and reasonable.

CHAIR - The cost of the compliance is okay but it is the timeliness and that sort of thing that I think is probably of more interest to me as well. I am wondering if you might look at that. Another area I am interested in is residential tenancy - the number of disputes and claims processed - and I am happy for that to be taken on notice as well, minister.

Mr McKIM - Yes. I can pretty quickly run through that for you if you like, or I can put it on notice.

Mr DEAN - We need answers to some things.

Mr McKIM - I am doing my best, Mr Dean.

Mr DEAN - I know you are. I am not blaming you, no, not at all.

Mr McKIM - It would not take long. From 1 July 2012 to 30 April 2013 the RDA processed an average of 1 605 bond lodgements and 1 675 bond claims per month to reach a total of 16 047 lodgements and 16 725 claims for this reporting period. Since commencement almost 75 000 bonds have been lodged with the RDA and over 42 000 bonds have been paid to tenants and property owners.

CHAIR - And the balance held?

Mr McKIM - \$32 million is my advice.

CHAIR - In relation to the consumer protection issues, the number of complaints and enquiries?

Mr McKIM - This is a monthly figure for Consumer Affairs and Fair Trading - approximately 1 750 enquires per month and approximately 53 complaints per month.

Mr DEAN - That is a lot, is it not?

Mr McKIM - That is a lot.. It is a lot and the people at Consumer Affairs and Fair Trading do an outstanding job in responding to those enquiries and complaints.

Mr DEAN - What are the majority of those complaints or issues? Certain things stand out, I would think.

Mr McKIM - About 45 per cent of calls are from tenants or property owners seeking general advice on residential tenancy matters as well as information on rental bonds and disputes. General enquiries from consumers are usually about their rights as retail customers and questions typically relate to refunds, statutory warranties, repairs and lay-by agreements.

We are seeing an increase in the number of calls received from people seeking information about licensing requirements for various occupations, primarily security industry and motor vehicle traders as the legislative frameworks around those occupations have changed in recent times.

Rather than table it because it has just the names of the officers who have prepared the data, if you put it on notice I have some quite comprehensive data around the type of calls we get - exactly what, for example, the tenancy enquiries relate to - whether it is quiet enjoyment, change of ownership, early vacation, electricity charges and a range of other things.

It is very comprehensive information, including a breakdown of the calls relating to Australian consumer law, so this goes very much to the retail sector but also to things like advertising, statutory warranties, unsolicited products or services being offered, misrepresentation and so forth. If you would like to put that on notice, Mr Dean, we will be able to table a comprehensive outline of the type of inquiries we receive and what categories they fall into.

Mr DEAN - Thank you.

Mr FINCH - I would like to bring up the case of the Kingston manufactured stainless steel water tanks with the dangerous lead levels and your web page says the manufacturer is Kingston Sheet Metal is no longer trading and it may not be possible for consumers to be recompensed or have the tanks fixed or replaced. Is that still the case?

Mr McKIM - To the best of my knowledge it is. I will see if there is any updated advice on that for you. I will introduce you to Jennifer Lee who is acting director of Consumer Affairs and Fair trading and ask her to respond to Mr Finch.

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Ms LEE - As far as we are aware, the trader has ceased trading and he has been unable to be located since these issues emerged. He was also starting proceedings to file for bankruptcy which means that for consumers their opportunity to seek a refund may be limited.

Mr DEAN - I raise the question in relation to motor vehicle dealers and any complaints that might be coming through the organisation in relation to motor vehicle licences and have there been any withdrawn? Has there been any action taken against any motor dealers? That may be in the information that we have tabled?

Mr McKIM - It is but I can provide you with a bit of assistance there. We have had - and this is not necessarily complaints, this is inquiries - 18 inquiries in relation to motor trader conduct.

Mr DEAN - Does that also give the number substantiated and the actions taken against these people? That is important for me.

Mr McKIM - It does not in this form but 69 complaints received but it does not answer your question.

Mr DEAN - If you could answer that because there are a lot of backyarders operating now and there are a lot of complaints coming forward.

Mr McKIM - We will have to examine our data sets to see if we can provide that answer. If you put that on notice we will come back to you in some form.

CHAIR - Minister, would you like to invite your Sustainable Transport people to the table.

Mr McKIM - If I can thank Mr Overland and his staff for their support in this portfolio through the year.

DIVISION 5

(Department of Infrastructure, Energy and Resources) -

CHAIR - As you will know, there are members of this committee who have a huge interest in sustainable transport along with yourself, and I would like to invite Mrs Taylor to get started because we have only until 1.30 p.m. and we are hoping to cover all areas.

Mr McKIM - Good luck to us all.

CHAIR - Yes. Thank you, Mrs Taylor.

Mrs TAYLOR - You do not want to introduce any of your team, obviously.

Mr McKIM - To my right is Mr Bob Rutherford. Bob is the Deputy Secretary in the Department of Infrastructure, Energy and Resources and also the Transport Commissioner.

Mrs TAYLOR - Thank you. I want to ask some overarching questions before we get onto 1.7 because it is actually quite small. We do not yet have a statewide public transport strategy, do we, and are we working on one or are we planning one?

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Mr McKIM - I will make some preliminary comments. First, yes that is an accurate statement. We have done a lot of work around the Hobart area. We are currently working on our Launceston plan.

Mrs TAYLOR - It was one of the things you were funding in innovative last year, the Launceston one.

Mr McKIM - That is true, that is right. I think ideally we would have one and in fact I was at the TasBus dinner on Saturday night just gone - less than 48 hours ago - and it was a point that was made in the speech by Mr Shane Dewsbery, the president of TasBus. I think he made some pretty reasonable points but we need to get the work in Launceston done. We are also having a look at some possibilities around the way we run some of our bus services in terms of their inter-relationship on the north-west coast. Once we have done that work I think that ultimately Tasmania should have a statewide sustainable transport plan because it all networks in together, whether you are talking about cycleways, walkways, footpaths, buses, private, public, ferry services -

Mrs TAYLOR - I suppose it is chicken and egg but -

Mr McKIM - Absolutely.

Mrs TAYLOR - one would think maybe you would have an overarching strategy and do the other bits to fill that in rather than start of with bits and then see if you can fit them into a wider strategy later but anyway, that is the way it is.

Mr RUTHERFORD - It is probably fair to say that obviously the structure we have in place was populated by a strategy. We do not have a strategy document as such for the whole state but the systems that we put in place, the legislation around buses and the work that was done when we had that massive piece of work on the whole bus system, was about trying to set certain parameters. I think the point members make is well taken on the consideration of broader modes and how they interact and that is a new frontier really in terms of passenger transport in the state.

Mrs TAYLOR - Thanks, minister. I suppose what I am alluding to is the fact that there are other things besides buses that are possible public transport and sustainable public transport and your department has done an amount of work on cycling, for instance, and it seems to me they should all fit, so I would really like to see your department look at that.

Mr McKIM - Okay, I will take that on board.

Mrs TAYLOR - Why is the passenger transport unit buried in DIER?

Mr McKIM - It is where it has habitually resided. I am not sure whether you think there is a more appropriate department for it to reside in unless you are proposing the creation of a new agency. You have to have people housed through an agency structure if they are delivering agency responsibilities. I do not believe there is a strong argument for it to be removed from DIER.

Mrs TAYLOR - I was thinking more in terms of a stand-alone, I suppose, given your interest and the government's interest in the priority of public transport.

Mr McKIM - I am not sure in the state's financial climate that I would be able to successfully sustain an argument that we should create a new agency for public transport. It is pretty expensive to run an agency. They need all of their ICT structures, their human resources, their payroll, all of those kinds of things there - corporate and administrative support, you have salaries of a new secretary and a new deputy secretary. I am happy to confess to the committee, Mrs Taylor, that I have not requested that of the Treasurer. That is not to suggest that in an ideal world we wouldn't have an agency that was exclusively responsible for sustainable transport but I'm confident that in the state's current financial circumstances that would be an unsuccessful request should I make it.

[12.15 p.m.]

Mrs TAYLOR - One of the other difficulties that, it seems to me, we face in public sustainable transport, is that the people in this unit actually report to two ministers. You are the Minister for Sustainable Transport and minister O'Byrne is the Minister for Infrastructure. When we have talked about ferries, for instance, I've talked to you and you've said yes but I don't organise the piers on the wharves and that sort of stuff.

Mr McKIM - Yes.

Mrs TAYLOR - Then when I've talked to minister O'Byrne, he says I have to talk to minister McKim about that because he's the Minister for Sustainable Transport.

Mr McKIM - I'm very happy to talk about ferries.

Mrs TAYLOR - Well, we will later but it seems to me that the same people answer to two ministers and it's hard to get an answer - you give direct answers but only within your area.

Mr McKIM - Yes. I could use the example of buses and roads. Buses run on roads, self-evidently. I don't build the roads that the buses are on; that's somebody else's portfolio, the infrastructure minister's, but I am responsible for the buses.

Mrs TAYLOR - But you are currently talking about bus lanes on roads so you must be talking to each other.

Mr McKIM - Yes, we do talk to each other and there is a lot of discussion that goes on internally within the department as well; that is people from Passenger Transport Branch talking very closely to, for example, road designers. In fact, there has been some structural changes made in the department that I think facilitates those conversations to a far greater degree than they were facilitated in the past. I had some concerns when I first became minister that there was a little bit too much of a siloing in the department and that there weren't enough lines of communication between people who did PT - passenger transport - and people who design and build the infrastructure that PT relies on to run. We now have a structure that I'm much more comfortable with in the department that I think does allow for those conversations to occur far more regularly and in a far improved way compared to the way it was a couple of years ago.

Mrs TAYLOR - Do we have, in DIER, apart from road and bus transport, anybody whose interest or expertise or whose job is to look at other modes of transport?

Mr McKIM - Yes we have.

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Mrs TAYLOR - Last year you didn't.

Mr RUTHERFORD - Yes we do. We have an active transport officer who looks at the cycling and the walking -

Mrs TAYLOR - Ferries? Trains?

Mr RUTHERFORD - Well, ferries wouldn't come under our act.

Mrs TAYLOR - Why not if it's public transport?

Mr RUTHERFORD - Sorry, we do look at ferries. I was talking about a specific employee for a particular function. Ferries, of course, come under our brief. Indeed, to pick up the minister's earlier point, a lot of the connection with the infrastructure decision is over the fact that, as we look at different modes, the infrastructure that you need to get people to the modes becomes absolutely critical to making it work. So, we have to be able to have very close interaction.

Mrs TAYLOR - Yes, but my question is about expertise in DIER for other modes of transport apart from roads, as in ferries or passenger rail. We have no passenger rail.

Mr RUTHERFORD - If you mean the technical knowledge of the modes and the ability to do economic analysis of the options then yes we have it.

Mrs TAYLOR - Okay, very good. Can I go to 1.7, which is passenger transport. The note says that some of the money in this year's budget is left over from last year's budget in terms of park and ride. What's the situation with park and ride around the state at the moment?

Mr McKIM - We've got our facility in Kingston, which is up and running, and has been for some time.

Mrs TAYLOR - Does this year's money include running that? We're looking at \$3.8 million basically for infrastructure?

Mr McKIM - If I can take a step back, Mrs Taylor. DIER received funding of \$2.8 million over four years, commencing in 2009-10, for research into and development of park-and-ride facilities to complement existing bus-based public transport in Hobart and potentially Launceston. We have also commenced operation of our Denison Street park-and-ride facility in Kingston. The services to that facility were commenced in August 2010. There were some delays with Kingborough Council around the DA. There was already a gravel car park there so we made the decision to commence the services, that is, the increased bus services, ahead of the completion of the bituminisation of the car park and installation and things like that.

Mrs TAYLOR - Has that happened in this financial year?

Mr McKIM - That facility is complete and the services are running, as I understand it. We have also done market research to develop a demand profile for park-and-ride facilities in greater Hobart and Launceston. We have done a lot of work identifying potential park-and-ride locations in Hobart and Launceston and quantifying the likely benefits and costs of implementing park-and-ride facilities. As I said, we have Kingston up and running including secure bike storage.

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We are also pursuing two public transport infrastructure-related developments on the fringes of Hobart, one at Sorell and one at New Norfolk. I have given a grant of \$200 000 to the Sorell Council; that grant has been approved and is to assist in the development of a centrally located bus interchange and associated car-parking facility in Station Lane in Sorell. That project will be a partnership between the state government and the Sorell Council. We are also in discussions with the Derwent Valley Council to provide funding for a similar facility in New Norfolk. These are both in the park-and-ride space.

Mr DEAN - How successful is the Kingston operation and do you have the statistical data on travellers, users?

Mr McKIM - Mr Dean, I do not have that information here because it is more of a Metro issue and Metro are the service-provider there. I do not have patronage in front of me. There was an analysis done. DIER believes the impact of the Denison Street facility on congestion on the Southern Outlet was minimal. There was an average of approximately 30 passenger boardings per day equating to a reduction on the Southern Outlet traffic flow of approximately 25 vehicles. In discussions with Metro they have advised me that they did get a patronage increase so the new services did not just spread the existing passenger load out across more services; they actually delivered an increase in patronage.

Mr DEAN - Minister, it has been operating since 2010, you said?

Mr McKIM - Yes.

Mr DEAN - And we are getting 30 passengers a day -

Mr McKIM - That is boardings at the Denison Street location.

Mr DEAN - The 30 passengers, I take it, is over a five-day week, is it, or is it a seven-day week?

Mr McKIM - That is not clear in the advice I have. I believe that would be during the working days but I would need to clarify that.

Mr DEAN - I would like to know that because, if you look at the cost associated with providing that service with the benefits you are getting from it, I would question the viability of it.

Mr McKIM - You would need to compare it with the cost of building a road and the advantage that people get off a new road. Roads are horrendously expensive to build and if you did a cost benefit analysis of a lot of the road construction projects that Tasmania does, you may form the view that the roads are not viable. You need to be careful that we compare apples with apples.

Mr DEAN - I am looking at 25 vehicles being taken off the road and the congestion is no different than the congestion on the road from Kingston to Hobart, that is what the people using it will tell you, so I am putting that position, as to whether it is a viable service in all of the circumstances and whether we would be much better off paying a taxi to bring those people to Hobart and back again. What is the cost of running that service from Kingston?

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Mr McKIM - I will have to provide that information through Metro because they are the service provider. I can give you the capital costs, if that is what you are asking for.

Mr DEAN - I am after the total cost of running that park and ride service.

Mr McKIM - I will need you to put that on notice, Mr Dean, because this is not the Metro Estimates, this is budget Estimates, and I do not have the Metro figures with me.

Mr DEAN - Okay, thank you.

CHAIR - Minister, before I go back to Mrs Taylor, can I ask you to walk me through the forward Estimates projection there on 1.7 - passenger transport - coming from the substantial decrease. Is that all related to park and ride or is there something else I am missing that is not noted?

Mr McKIM - What page of the budget are you on?

CHAIR - I am on page 6.24, table 6.11 down the bottom.

Mr McKIM - Your question was is that all on park and ride?

CHAIR - Yes.

Mr McKIM - Are you talking about passenger transport innovation or passenger transport?

CHAIR - No, passenger transport, forward Estimates, you can see the considerable decrease but the notes only relate to the park and ride facilities. I am trying to get a better understanding of what is -

Mr McKIM - That is a re-allocation from 2012-13, re-allocated in 2013-14, relating to park and ride facilities.

Mrs TAYLOR - But not all of it, that is only part of it.

CHAIR - Yes.

Mrs TAYLOR - Is it not?

Mr McKIM - The increase, that is right.

Mrs TAYLOR - But there is still a decrease in the following year. In 2014-15, 2015-16 it is less than it was last year.

Mr McKIM - I will take some advice.

Mrs TAYLOR - The answer is no, it is not all related to park and ride.

CHAIR - That is what it says in the notes but it is not all.

Mr McKIM - I will ask Mr Rutherford.

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Mr RUTHERFORD - Essentially, the increases, the re-allocation of the park and ride, and you will recall that is fixed properly, it is not recurrent ongoing funding and what you are seeing is that being re-allocated and being smoothed down over the next little while so the reduction is reflecting the falling away of the current budget allocation to park and ride that is in this budget.

CHAIR - So that is the entire amount, the entire decrease.

Mr RUTHERFORD - I have a few other things here and it will take me a second to get my head across the numbers with your indulgence. That is the bulk of it.

CHAIR - I do not have my calculator but it is about \$1.5 million.

Mr RUTHERFORD - I am finding that most of that is -

Mrs TAYLOR - The question is what does passenger transport cover apart from park and ride?

Mr RUTHERFORD - That is the budget for the whole of output 1.7.

Mrs TAYLOR - Yes. What is 1.7?

Mr RUTHERFORD - The carry forward is 1.6 million, that 1.610, and that gradually wears itself off over those future -

Mr RUTHERFORD - Let us put Mr Long to the table who will speak to his chart of those changes.

CHAIR - Does Mr Long understand where we are on the budget papers?

Mr LONG - Yes, thank you.

Mr McKIM - I'm more than happy for Mr Long to explain his charts. Thanks for asking.

Mr LONG - There was an amount of park-and-rides being carried forward over a number of years for the reason that we haven't been able to fully spend the allocation. There is another increase this year in the 2013-14 year above that carried forward into 2012-13 of \$617 000.

CHAIR - For?

Mr LONG - For park-and-ride. One of the other factors that is influencing the budget for this item is the fact that we've had removal of the requirement to pay payroll tax within the state general public sector. That's really an on-and-off in terms of us and state revenue. So, the additional money above [last year's or] this current year's allocation for park-and-ride into 2013-14 is \$617 000. The impact of that is that next year, the full amount of \$1.6 million is reduced out of the item; that's an aggregation from 2012-13 through to 2013-14. There are a couple of other small reductions which are related to the funding tasks from government that has been passed across all outputs within the department. From then on, it becomes basically just maintenance of the people that administer the public transport services, administered items within

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the agency and an ongoing allocation of about \$650 000 for park-and-ride which goes into the future.

CHAIR - I want to get this really clear. The park-and-ride component of this line item is about \$650 000?

Mr LONG - Correct, yes.

CHAIR - And that is, at the moment, supporting the Kingston park-and-ride -

Mr LONG - Yes.

CHAIR - And?

Mr McKIM - Well -

CHAIR - And research into where else you might park and ride.

Mr McKIM - That's right and it has supported the funding that I spoke about in relation to Sorell and the potential for New Norfolk.

CHAIR - The \$200 000 that you've provided to each of those councils.

Mr McKIM - I am not sure if that money has actually been provided but I have indicated that I'm prepared to provide it - whether that's actually gone over or not, I'm not certain at the moment, in terms of the transfer. I've written, indicating support for that.

CHAIR - So, at this point in time, we are spending \$650 000 on one park-and-ride and -

Mr McKIM - No.

CHAIR - - and some feasibility into a number of others.

Mr McKIM - That's a budget allocation, so it's not what we've spent in the past. As I said, I don't have the data here around what the extra services associated with the Denison Street park-and-ride facility are costing because that's a matter for Metro ultimately, although if you put that on notice, I will provide all that to you.

CHAIR - So that money is being paid directly to Metro?

Mr McKIM - Through the contract - they'd be contracted -

CHAIR - Thank you.

Mr McKIM - If the committee's done with Mr Long, we might let him depart from the table.

CHAIR - If the minister doesn't need Mr Long.

Mr McKIM - Well, we'll see; I might need Mr Long.

Nr LONG - I'm always here if needed.

Mr McKIM - Okay, thanks.

CHAIR - Thank you.

Mr McKIM - No worries.

1.8 Passenger transport innovation -

Mrs TAYLOR - Minister, at this time last year, there was a significant budget allocation that was unspent from the previous year which was re-allocated into this year's - somewhere around \$3 million, I think; I can't remember the exact figure. You indicated that that money was not yet fully allocated but that it would probably be spent during the year on public transport innovation.

Mr McKIM - Yes.

Mrs TAYLOR - During the year, as far as I can see, you put out two media releases, I think, one on 24 October and the other on 22 December. The one on 24 October was about NB2, Nation Building 2, and the sustainable transport projects that you were asking the federal government, under Nation Building 2, to fund or to look at. These are ones you submitted.

Mr McKIM - Yes.

Mrs TAYLOR - How much, in total, have you asked either Infrastructure Australia or NB2 for? Can you put a figure on it because some of them have dollar figures

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Mrs TAYLOR - or NB2, can you put a figure on it because some of them have dollar figures attached and some of them do not.

Mr McKIM - I thought I released the global ask at the time, Mrs Taylor - a total of \$38.5 million for four sustainable transport proposals and a further four projects that were put forward as a concept only. Obviously none of the projects we submitted received approval in the 2013-14 federal budget and unfortunately the commonwealth said that no further funding will be made available for NB2. We have an election at the commonwealth level coming down the line so what any future commonwealth government's intention around infrastructure allocations might be is a matter for the future. I can also indicate that we completed the next generation of the business case for light rail, which I know you have a strong interest in, Mrs Taylor.

Mrs TAYLOR - I do. You indicated last week I think that recently you were about to release it but it has not yet been released.

Mr McKIM - That should be on the department's website today. I sent it in to the commonwealth and if it is not on the department's website I will make sure it is on.

Mrs TAYLOR - It is a bit late to be asking you about it now.

Mr McKIM - I am happy to give you an update just in really broad terms we engaged ACIL Allen to develop a new light rail business case examining the feasibility of a service between

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Glenorchy and Hobart. If you remember, Mrs Taylor, I have always categorised this as the stage 1 approach. The whole idea here is to try to come up with some parameters for the light rail that maximise the BCR, the benefit cost ratio.

Mrs TAYLOR - Can I ask you about that though, because the ACIL and then the one last year was based purely on a business case. When we talk about cost benefit, should we not be talking about broader community benefits?

Mr McKIM - Yes, my word we should.

Mrs TAYLOR - And does this one do that?

Mr McKIM - This particular part of the work that we are doing still relates to the business case. I am happy to talk about the broader issues shortly. The business case is important work that needs to be done. It is rigorous work. I know that you were on the committee advisory panel that was supporting the original version of the business case. We had the original ACIL Tasman business case, which came up with quite a poor BCR for the project. I had that peer reviewed at the request of many people including Ben Johnson. The peer review in broad terms was supportive of the approach that ACIL Tasman took to complete the business case and calculate a BCR. However, the peer reviewer did suggest that if we pulled the terminus of the project in from Claremont to Glenorchy - and if you remember, originally I floated this as potentially as far as Brighton.

Mrs TAYLOR - Absolutely.

Mr McKIM - During the preparation of the regional business case, there was a view formed. My advice is that there is no dissent recorded from this view at the time that we should pull the terminus in from Brighton to Claremont, in order to provide for the best opportunity for a positive BCR. That was done and the BCR was not positive. The peer reviewers of that work done by ACIL Tasman suggested if we put the terminus in to Glenorchy that would maximise our opportunities for a stronger BCR and that is indeed what has happened. The latest business case from ACIL Allen - previously ACIL Tasman - which I am advised is on the DIER website, found that a BCR above 1 is possible but that this outcome is subject to the application of some assumptions but are not accepted as standard by Infrastructure Australia. We sent the business case in with an update to Infrastructure Australia and I signed that on Friday last week.

I strongly support this project. Interestingly, there was some discussion about it at the TasBus Conference and there was discussion about BRT, bus rapid transit, developments. However, I am pleased to inform the committee that bringing the terminus into Glenorchy in order to maximise positive benefit cost ratio, the business case determined that the cost of establishing that light rail service will be \$71 million, which is less than the cost of extending the project to Claremont, and annual operating costs of \$2.3 million for the first five years, rising to approximately \$3.2 million in 20 years time.

The highest benefit cost ratio, which was \$1.12 million, was obtained when the speed of the light rail service was maximised and that was achieved through a hypothetical operating model with only three stops at Glenorchy, Moonah and Hobart but that is not to suggest that that is how it would end up being built but the quicker the journey the higher the benefits and the more people would be attracted to it. If a greater number of stops were to be provided, journeys would become slower and the benefits reduced and I do not regard light rail and a strong and vibrant bus network

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as mutually exclusive. They are necessarily complimentary and a light rail service would need to be supported by high-frequency feeder services to deliver passengers into the rail stops from further out.

The revised business case is substantially stronger than the previous business case and I am working to convene a taskforce, comprised of key state and local government stakeholders who we will use to pursue a coordinated action and that goes specifically to your accurate comments earlier, Mrs Taylor, that this is about more than a business case and is about some of the transformational aspects in relation to Hobart that a light rail could provide.

Mrs TAYLOR - Not only inner Hobart or from Glenorchy in, but about the Derwent Valley and the Brighton/Bridgewater area also having a better access to public transport.

Mr McKIM - Over time it would be ideal to have light rail going a lot further than Glenorchy and that is why I have always regarded the Glenorchy proposal as stage 1 and if we could get that up and running, that would provide the foundation over time for the extension of the light rail network further north.

Mrs TAYLOR - Can I quote then from your statement on 22 December that you would be writing to key state and local government decision makers to form a task force and you say, 'To help progress Hobart light rail and to put light rail at the heart of an integrated vision of urban and social renewal'.

Mr McKIM - That is what I mean by the transformative nature of this project.

Mrs TAYLOR - You said you would announce the details of the taskforce early next year, which was this year, so not yet? It is getting to be past early.

Mr McKIM - That is a fair comment. I have received responses from the people I invited. Unfortunately, Minister O'Byrne and Minister Green have declined the invitation to be involved in the taskforce, which is disappointing.

Mrs TAYLOR - It is, very.

Mr McKIM - I still intend to move forward. I am considering how best to approach that given that they have declined the invitation to participate.

Mrs TAYLOR - Considering that one is the Minister for Infrastructure. Is there a budget for it?

Mr McKIM - No, but I still have some flexibility left in the Passenger Transport Innovation Fund. I would anticipate the Department of Infrastructure, Energy and Resources would be in a position to support that taskforce - I have had a discussion with the department and that is my understanding. Whether they would need an extra allocation for that I am not sure. It may be that that is something one of their officers could do as part of their regular duties.

[12.45 p.m.]

Mrs TAYLOR - Thank you. If you just go as far as Glenorchy, what does that do to our major tourism attraction currently, which desperately needs -

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Mr McKIM - MONA?

Mrs TAYLOR - Yes, it is barely a kilometre or something further and Tourism, one would have thought, would be lobbying you to say please make it go as far as MONA.

Mr McKIM - I have not spoken to David Walsh about that.

Mrs TAYLOR - He is not the minister.

Mr McKIM - No, he is just the owner of MONA.

Mrs TAYLOR - Yes, but he has no say in public transport.

Mr McKIM - He has put on a ferry out there, as I am sure you have seen, Mrs Taylor.

Mrs TAYLOR - It is funded, yes.

Mr McKIM - Yes, that is right. No, it is not his job to run the public transport network in Tasmania. That is ultimately my job with the support of everyone involved.

Mrs TAYLOR - As I say I thought the Tourism minister might have been interested.

Mr McKIM - Not that he has communicated it to me.

CHAIR - We will ask him about that on Thursday.

Mrs TAYLOR - Okay, good. I have lots more questions but there are other people who would like to ask questions on innovation.

CHAIR - Yes, I know but I am mindful we need to share it. Mr Finch?

Mr McKIM - I did want to take the chance at some stage to inform Mrs Taylor of the details of the extra services - we will be running extra bus services - and the bus priority measures we are looking at on Main Road.

Mrs TAYLOR - I would have thought we would talk about that in Metro. Are you calling that innovations budget?

Mr McKIM - It is being funded out of the innovations budget.

Mrs TAYLOR - If we are talking about innovations budget, how much is in the innovations budget for looking at a sustainable or viable ferry service on the Derwent, for public transport?

Mr McKIM - What we are looking at doing here - and I have had discussions with the Lord Mayor of Hobart and also the Mayor of Clarence - is a value management study around the Hobart-Bellerive link. It is clearly the most prospective ferry link in the south of Tasmania. If you are looking through the budget papers, I do not think you will see it there because this is a relatively recent -

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Mrs TAYLOR - No, I am looking at last year's, which is where you said almost exactly the same words.

Mr McKIM - If you would like to quote them back to me I will respond to you but I do not believe I have talked about a value management study -

Mrs TAYLOR - No, you haven't.

Mr McKIM - for the Hobart-Bellerive link before. I have indicated in conversations -

Mrs TAYLOR - No, you said you didn't need to do it because they had done it.

Mr McKIM - If you want to quote what I said, I will respond to you - if you would like to approach it in that way. Otherwise I could just simply inform you of what we are doing.

CHAIR - I guess the question was how much is being -

Mr McKIM - I have indicated to the two mayors that we would be prepared to fund up to \$30 000 for that. My advice is that it may come in a little bit over \$30 000 and the mayors have indicated at least an in-principle commitment to splitting the difference if it does come in over that. This will be a value management study - done independently, I might add - into specifically the Hobart CBD-Bellerive link, which I think is the most prospective for the Derwent. I am really pleased I have had the support of both the lord mayor and the mayor in relation to that and I look forward to progressing that as soon as possible.

Dr GOODWIN - Minister, could you explain what a value management study is, please?

Mr McKIM - It is an initial study just to look -

CHAIR - A baby business plan.

Mr McKIM - Yes, I guess you could call it that; that would not be an unreasonable interpretation of it. Mr Rutherford is more of an expert in these things.

Mr RUTHERFORD - They have the advantage of not closing the frame of reference so they start with a very broad-based survey of stakeholder expectations and interests, and then they use various factual parameters to bring the size of the box down. It is a way of making sure you set the problem correctly in the first place so that you do not miss, as is often the case when you go in with a solution straight up, and then you cost it you often miss what you should have looked at in the first place. The great virtue of a value management study is that it starts from a broad perspective then rather quickly, in my experience, narrows it down to discuss what is feasible but it has the advantage of embracing the broad range of stakeholders and interest. We have used them before very successfully in the agency and hope that this would progress that way.

Dr GOODWIN - Do you have a person or a group that does this specific sort of work?

Mr RUTHERFORD - It was an institute and you generally go to them for the register of the people who can do the work.

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Mr McKIM - My preliminary advice is that there is more than one person in Tasmania who would have the capacity to do this work and we need to go through the normal tendering processes.

Dr GOODWIN - You do not have a specific group in mind at this stage, you will go out to tender or EOIs or whatever?

Mr McKIM - I will take advice from the department because this is below the \$50 000 threshold. I will be getting some advice shortly from the department about the proper process around selecting someone to do this work.

Dr GOODWIN - But it is specifically looking at the Hobart development?

Mr McKIM - That is right.

Mrs TAYLOR - In terms of the ferries, if you are prepared to look at a value management study for a limited service, why have you not engaged more, or are you planning to engage with, Transit Systems Australia who have presented a Derwent River ferry proposal broadscale, which are not asking you for money, I understand, they are asking to talk to you about it?

Mr McKIM - I am not aware of a request to speak to - who was it you said?

Mrs TAYLOR - Transit Systems Australia.

Mr McKIM - They may have asked to see me, but I am not sure.

Mrs TAYLOR - You have a detailed report from them which Minister O'Byrne sent to you.

Mr McKIM - I am aware of that but I am not aware that they requested to meet with me - not to suggest that it has not happened.

Mrs TAYLOR - They submitted a proposal. Could you follow that up?

Mr McKIM - I will give you a couple of responses to it because we have had a look at this. We think there are a number of issues with their proposal. We believe physical access at some locations they are proposing will be problematic and require feeder bus services. We believe transit times, in most cases, will be comparatively slow to alternatives such as cars and buses travelling arterial roads. We believe that the services they are proposing are of very low frequency, operating over a long distance that would deliver a slow and unreliable service to patrons. We have a timetable that does not allow, with work start times in central Hobart, a very long span of operating hours including times of very low demand. For example, the first service from Kettering leaves at 4.40 a.m. Patronage Estimates, DIER advises, appear highly optimistic, using a methodology which is unexplained in their proposal and we believe that they have either omitted or understated likely infrastructure costs such as the Disability Discrimination Act compliance of vessels and berthing facilities.

It is fair to say that we think there is a number of issues with their proposal but ultimately they have not, to my knowledge, asked for money.

CHAIR - Have they seen your response, minister?

Mr McKIM - I am not sure about that.

CHAIR - It would be difficult to work through those issues if they are not aware of them.

Mrs TAYLOR - In the first place they have not asked for any money and I am sure that they have said in the submission that they would like to discuss this proposal and would be happy to do a timetable or a service that might be attractive or that the state might want to talk about. I would like to know what you

Mr McKIM - I am happy to communicate that to them.

Mr RUTHERFORD - It is very tricky to be dealing with something which has a degree of commercial-in-confidence about it when a proposal like this is made and you need to be understanding of the level of detail that we deal in. A lot of the issues from the department's point of view are the generic ones that go for that kind of transit over the infrastructure needs, because it assumes a level of infrastructure support to have any such ferry service, whether it was this company or another, in order to have a trial of any sort. It raises a lot of issues.

It is important to note that there has not been extensive discussion with the company at this stage, so it is something before us where we have put to the minister the sort of concerns that would need to be looked at if this was pursued. The advice from the department has been that, in terms of prospectivity and without a conflict, that the likely success lies in that trans-Derwent service which has had a history of acceptance and which, if we could get it up, would prove that, where the infrastructure is there, you can deliver a service that offers modal choice and broadens the culture of public transport.

Mrs TAYLOR - This company has not asked for any money as far as I know. I am not batting for this company; I am batting for a river service. This company happens to be the one that does the Brisbane ferry cats -

Mr McKIM - Yes, I am aware of that.

Mrs TAYLOR - Which is why they have expertise and experience.

Mr McKIM - Although, the waterway is completely different.

Mrs TAYLOR - Absolutely.

Mr McKIM - It is basically a seaway.

Mrs TAYLOR - They are not doing it only in Brisbane. They are currently doing the Thames but that is beside the point.

Mr McKIM - Which is also not a seaway, whereas Storm Bay is.

Mrs TAYLOR - My point is, in an innovations budget and looking at public transport innovation, why would you not look at every opportunity and at least engage with the people, whoever is making a proposal to you -

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Mr McKIM - I am happy to engage with them, Mrs Taylor.

Mrs TAYLOR - It sounds like a decision has been made and there are all these reasons why it probably would not work.

Mr McKIM - I am not aware that they have asked for any money.

Mrs TAYLOR - If they put a proposal to you, would you not want to talk to them?

Mr McKIM - Not necessarily. We get proposals all the time in a range of portfolio areas and I do not have the time to meet with everyone who wishes to meet. I am not aware that they have asked to meet me; they may have. I will chase that up. I do not have a problem sitting down and talking to people; I do it all the time. I talked to you about ferries in the past.

Mrs TAYLOR - Yes. I am disappointed that it seems such a negative response rather than let us talk to these people and talk through some of those issues -

Mr McKIM - You asked the question about what we thought about their proposal. I have given you some -

Mrs TAYLOR - No, I said what progress are you making.

Mr McKIM - I have given you some of the concerns that the department advised me they had. We are happy to keep engaging with them but the most prospective way forward is for CBD of Hobart to Bellerive which historically has had an acceptance of ferry services. We would need to involve Metro in the value management study that we are doing because any heavily patronised ferry between Bellerive and the CBD of Hobart would inevitably take patronage off Metro because Metro currently services Bellerive to Hobart. There would also need to be a potential re-cut of Metro's timetables in order to feed in, in the same way as light rail, from outlying areas into the ferry terminals.

Mrs TAYLOR - You and I have discussed a number of times that we are trying to grow the public transport pie; more people using public transport.

Mr McKIM - That is right and that is one of the challenges of introducing other modes, that all patronage on any new mode may not be new patronage, it might be patronage that is transferring from mode to mode so we are seeing mode shift rather than a growth in the pie. I agree - all I have tried to do in this portfolio is about growing, not just the passenger transport pie, but the sustainable transport pie which includes active transport.

CHAIR - Thank you, minister. It is all very good information and some of it I wish we had been able to discuss at a committee level at another time but we do not have time now. Before I go to Mr Finch I want to know why there is no forward estimate funding for passenger transport innovation.

Mr McKIM - The reason for that is that simply I have obtained that funding through my negotiations with the Treasurer since I have come into this portfolio.

CHAIR - Congratulations on that.

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Mr McKIM - Thank you. From memory, in the 2010-11 budget, the first funding was for two years and then I have renegotiated that. I am going from memory now, but I think an extra \$1 million in last year's state budget. What is left has now been rolled over into the 2013-14 state budget and the negotiations will occur again should I have the honour of still being Minister for Sustainable Transport in the lead-up to the next budget, but we do have a small thing called a state election to occur between now and then.

CHAIR - But regardless of that, minister, given that this is such a really integral part of passenger services and what might be a good thing in the future and sustainable transport, would that not be a focus of yours to make sure that that was there regardless of who is directing the traffic around here?

Mr McKIM - I believe that sustainable transport should remain a separate portfolio and it should have an adequate level of recurrent funding. Many ministers ask for things they do not get at budget time, as I am sure you would appreciate. Not everyone gets everything they want and there are a number of other demands, quite reasonably, on the state's finances. What I know is that I have delivered multiple millions of dollars into this portfolio that would not have been allocated had I not, firstly, negotiated the creation of this portfolio and, secondly, gone into bat so hard for it at budget time.

Mr FINCH - Minister, with noticeable recent improvements in fuel consumption and innovations there because of technical advances, what program or recommendation would you put in place or have you put in place to purchase the latest fuel-efficient vehicles for the government fleet? Do you make recommendations from this area?

Mr McKIM - First, I do not manage the government car fleet so that is not my portfolio area. The one area I may be able to respond to you is around Metro but I do not have that information here, Mr Finch, because this is not the Metro Estimates. I am happy to take that on notice and I can just keep you up to date off the top of my head in terms of Metro. My recollection is that at the next tender opportunity Metro will be calling for tenders from alternative fuelled vehicles. I have had some discussions with Metro about this.

Mr FINCH - Smaller buses?

Mr McKIM - Smaller buses is a really interesting one and we have done it before. We do it every year and it is a thing that comes up often, smaller buses, because they are so intuitive. On smaller buses, firstly, there is only a capex saving at the margins - that is, a small bus is nearly as expensive to buy as a big bus - and, secondly, there are only marginal savings in terms of running costs because the majority of the running cost of a bus is the driver's salary which, of course, does not change from a big bus to a small bus. There is obviously a small fuel saving from smaller buses but they do not save the amounts of money that intuitively many people think that they would and they do compromise the fleet management strategies of a passenger transport company to quite a high level.

Dr GOODWIN - Minister, I wonder if you could explain the trial that has been talked about, I think on the news and it might have been last night -

Mr McKIM - Main road?

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Dr GOODWIN - Yes, the main road. Is there also an extension to the bus lane down Macquarie Street or something as well?

Mr McKIM - Yes. I am very happy to go through that. We have announced as part of -

CHAIR - Would that belong in 6.4?

Dr GOODWIN - I was not sure, I thought the minister mentioned it came in the renovation area. I do not know.

CHAIR - I am mindful if we get into there we have left innovation.

Mr McKIM - Sorry, Chair?

CHAIR - We will give it a brief run and then we need to get to output group 6.

Mr McKIM - Okay. First, Main Road is a major funding commitment. The key to increasing patronage is frequency of services; probably, above all else, that is the one thing you can do to drive an increase in passenger transports.

Mrs TAYLOR - Frequency and reliability.

Mr McKIM - Yes, they go hand in hand.

CHAIR - Is it funded out of this line item or is it not?

Mrs TAYLOR - Out of innovations or out of the Metro?

Mr McKIM - It has come out of the innovations fund.

Mrs TAYLOR - How much?

Mr McKIM - It is \$680 000, as announced on budget day, and what this will mean is that between 7 a.m. and 7 p.m. during weekdays, there will be a bus every 10 minutes that will come down Main Road, or a schedule of every 10 minutes. Obviously a traffic light might intervene somewhere, it might be 11 minutes or something like that, but this addresses the key issue, which is frequency. It means that you will not need to consult a timetable and this is the big hurdle that you have to get over with public transport. Anyone who has caught a St Kilda tram through the Melbourne tram system, for example, you never check a timetable. You just show up at a tram stop and you know one is coming. As long as you are on the right route, at the right time of day, you know you are going to get a tram in the next 7 to 10 minutes.

CHAIR - That fails occasionally too I would have you know.

Mr DEAN - Not often.

Mr McKIM - It does, Ms Rattray, but in general terms, it is that frequency. It is about saying to people, if you show up at a bus stop on Main Road between 7 a.m. and 7 p.m. during weekdays, we would hope that you wouldn't wait anymore than 10 minutes and no more than 30 minutes after 7 a.m. We are going through the process with councils because we will be

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putting in place some badging and doing some promotion of this obviously, to make sure people understand what we are doing and what the opportunities are for them in public transport.

In terms of transit corridors, which was the other part of your question, there has been an allocation of \$800 000 out of the Passenger Transport Innovation Fund to develop transit corridor plans in greater Hobart. The intent there is to deliver a higher standard of public transport services along the defined corridors. I have talked about our increase in services on Main Road but we are also looking at bus priority measures, not only for Main Road but also for Macquarie Street. We are doing some work at the moment on those bus priority measures, having a look at specific parts of Main Road and Macquarie Street.

What we are looking at is basically a bus lane at identified strategic intersections in the case of Main Road and, on Macquarie Street, a bus lane effectively from where the southern outlet comes onto to Macquarie Street towards the CBD of Hobart - bus lanes with priority release for buses at the traffic signals. We will be doing a public consultation on this to make sure we talk to home owners and business owners in the area.

Dr GOODWIN - The money allocation that you mentioned, what will that go on?

Mr McKIM - The \$800 000?

Dr GOODWIN - Yes.

Mr McKIM - That will go on both of those projects so that is the increased services and the work we are doing to plan for the bus priority measures. That allocation is not intended to cover any infrastructure works that are likely to be necessary because that will require extra funding.

Dr GOODWIN - So essentially it is for people, consultants or -

Mr McKIM - Yes, it is consultants and people to oversee the program within the department and there will be the public consultation process as well that it will require some time and effort.

Dr GOODWIN - To finish up, do you anticipate that there may then be some infrastructure costs to follow?

Mr McKIM - I am hoping there will be, Dr Goodwin; in a way it sounds counterintuitive to say that but I hope that through the work that we are doing and the consultation process we can get a level of support for what we are trying to do. There is plenty of data from around the world that shows that when you put bus stops near, for example, retail businesses their patronage goes up, not down. We will need to go through those processes. I hope when we are complete we can move forward to getting some funding, either through the state budget or potentially the commonwealth budget, through any commonwealth frameworks that may be in place in order to progress those infrastructure works.

Dr GOODWIN - You will not be piloting anything as such or will you be doing -

Mr McKIM - In terms of bus priority?

Dr GOODWIN - Yes.

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Mr McKIM - We are doing the increased services, that will happen. In terms of bus priority we are working through the processes I have outlined.

Dr GOODWIN - Okay.

Mr McKIM - We will see how we go with that.

CHAIR - Minister, that \$800 000 is on top of the \$3.3 million that comes out of 6.4 allocated to Metro, is that correct? That makes their allocation, over and above what they get allocated, to be \$4.1 million.

Mr McKIM - Are you talking about Metro?

CHAIR - Yes. I am saying that \$800 000 is over and above the \$3.3 million that comes out in 6.4.

Mr McKIM - Yes.

CHAIR - That is fine. That is on top of their other allocation?

Mr McKIM - That is right.

CHAIR - Any other questions around that because we need to get over the page.

Mrs TAYLOR - You explained why there is nothing in the future allocations so that you have not been successful in getting the Treasurer to allocate more money for innovations, you also -

Mr McKIM - After three very successful years, Mrs Taylor.

Mrs TAYLOR - Yes, but it is really important.

Mr McKIM - I agree.

Mrs TAYLOR - You and I both think it is very important, minister.

Mr McKIM - We do.

Mrs TAYLOR - But you have also said that with the sustainable transport projects, you asked for something like a bit over \$38 million?

Mr McKIM - Yes.

Mrs TAYLOR - None of them was successful?

Mr McKIM - I know. It is a shame. I am disappointed.

Mrs TAYLOR - Do we have a problem with submission writing or grant applications?

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Mr McKIM - No, I do not believe so. I believe we have a problem with a federal government that is fixated on roads and not passenger transport and I am disappointed in that. I think there was a major opportunity here, particularly for Hobart.

Mrs TAYLOR - Some of this was for roads though.

Mr McKIM - Some of it was for -

Mrs TAYLOR - Quite a lot - main road, Hobart, Macquarie Street.

Mr McKIM - Yes but they are bus priority measures so they are what I was talking about before.

Mrs TAYLOR - I see, yes, okay.

Mr McKIM - This is a malaise that affects every political party except the Greens which is this fixation on road building for cars and a significant under-investment in passenger transport. If we had a Green government in Canberra I have no doubt they would have funded it and if we had a Green Premier in Tasmania and a Green Treasurer, I have no doubt they would have funded more into this but -

Mrs TAYLOR - We have seen sustainable transport funding go to the Gold Coast and Canberra and whatever.

Mr McKIM - Yes, we have.

CHAIR - I know it is always difficult to decipher what is what when it comes to grants and who receives them and who does not. I would now like to take you to output group 6 which is transport subsidies and concessions, and ask Dr Goodwin to lead off on metropolitan general access regular passenger transport services, with a slight increase.

Dr GOODWIN - Minister, I am interested in getting a breakdown of the allocation for this year's budget and the forward Estimates for 6.4 so I can understand which bits go where because there is some extra funding of 3.3 per year for Metro for things like purchase of new low emission buses, improvements to off-bus infrastructure and undertaking research and marketing. What is the remainder of the allocation for?

Mr McKIM - Are you on 6.4 here?

Dr GOODWIN - Yes.

CHAIR - A budget of 38.869.

Mr McKIM - Yes, that is right, and trending upwards.

Dr GOODWIN - Yes.

Mr McKIM - In the forward Estimates. That allocation includes an allocation for fixed rate payments that are made to three bus operators contracted to provide bus services to the general public, including students within the metropolitan areas of Hobart, Launceston, Devonport and

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Burnie. That is Metro. Mersey Bus and Coach for Devonport and Manion's Coaches for Legana. Those are the three companies contracted.

Mrs TAYLOR - That is a rate per passenger?

Mr McKIM - They are paid a set amount for the number of service kilometres and peak buses required to deliver the contracted timetable. In addition to that, more funding is provided as contract payments and that is the \$3.25 million that is referred to, Dr Goodwin.

Dr GOODWIN - Minister, in relation to the purchase of the new low-emission accessible buses, does Metro have a plan in terms of how those buses will be purchased?

Mr McKIM - Metro tenders out its bus provision so they are genuinely interested in exploring the market in terms of alternative fuels and I believe they intend to be agnostic as to what sort of fuel any new buses might run on. This is really a scenario for Metro to test the market and see what comes back once they call for expressions of interest.

Dr GOODWIN - How was the figure of \$3.3 million arrived at?

Mr McKIM - That has been in the budget for some time and it was an allocation, from memory, and that might even have started in my first year or it has been in the budget for some time. I cannot answer that question, Dr Goodwin. It was presumably a decision made by the Treasurer of the day.

Dr GOODWIN - It has not been revisited? Does a set amount go to those three priorities that are listed - improvements to off-bus infrastructure as well as the purchase of new low-emission buses? So we do not know how many buses we might end up with, for example, out of this ongoing allocation?

Mr McKIM - No. It effectively goes to Metro and they expend it.

Dr GOODWIN - As they see fit?

Mr McKIM - Those are the priorities that the budget lists and the budget is a policy document, so that would be the government's policy for the things it would like Metro to spend that money on.

CHAIR - Do the other two operators have the same obligations to comply with low-emission buses as well?

Mr McKIM - There is no obligation to comply in the Tasmanian regulatory -

CHAIR - To fulfil a desire?

Mr McKIM - I cannot really speak on behalf of Mersey Bus and Coach or Manion's here today, Madam Chair.

Mrs TAYLOR - Do we know what component of that is for fuel that you subsidise, or is fuel not taken as a separate component?

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Mr McKIM - Metro would purchase their fuel out of their operating cash.

Mrs TAYLOR - When you say it is 'per kilometre, per service', I wondered if they had asked you for a specific sort of allocation?

Mr McKIM - I would have to take advice about whether fuel is or whether and, if so, how fuel is costed into those calculations but these are the general access contracts and, as I said, they are calculated on a set amount for the number of service kilometres and the number of peak buses required to deliver the timetable.

Mrs TAYLOR - This marvellous innovative idea has been suggested to me, minister, that if we knew how much was being spent on fuel, particularly on that northern suburbs light thing, you could kill two birds with one stone if you had light rail and if you electrified it then that would help Aurora as well as save fuel costs and it would be green.

CHAIR - The minister is probably thinking about that as we speak.

Mrs TAYLOR - I am sure he is.

Mr McKIM - I have done everything I could to maximise the chances of getting light rail up within the constraints of the circumstances that we have.

CHAIR - Thank you. Moving on to 6.5.

6.5 Rural and special needs school bus services -

Mr GAFFNEY - Minister, the increase of \$2.2 million between 2012-13 and 2013-14, how does that come about and what is that for? It is the rural and special needs bus service.

Mr McKIM - I will seek some advice on that, Mr Gaffney.

Mr GAFFNEY - Thank you. Last year it was stated, which is really good, that the average age of a bus came down from 21.8 years to 16.6 years, representing a decrease of 27 per cent over five years; have there been any more bus purchases last year or is that increase just gone back up now?

Mr McKIM - I'm not aware - this is right across the bus fleet in Tasmania so it's not just Metro; it's -

Mr GAFFNEY - No, I'm talking about - I got the impression this is the rural -

Mr McKIM - Yes, most of our rural buses are from the private sector in Tasmania. I'll get some advice if I can on that funding issue. In terms of the rural bus service, they are almost exclusively delivered by the private sector under contract to the Transport Commission.

Mr GAFFNEY - With the framework that you have, does that put the guidelines around what ages that fleet of private buses should be? If it's 17 years for a metropolitan bus, what guidelines are there for buses in the private sector on how they must be to be safe on the roads with kids travelling? How does that work? Is it within the framework guidelines? How do you assess a private operator?

Mr RUTHERFORD - Through you, minister. When we reset the system with the capital payment to try to incentivise the purchase of new buses, that's precisely what we did; to less [? seems to use 'less' as verb] all buses - members will remember we had a situation where every year the average of the bus fleet became a year older. What we don't -

Mr DEAN - Yes, that would be right.

Laughter.

Mr RUTHERFORD - But we weren't getting any change in the composition of the fleet. We've had a significant change in the composition of the fleet but it's not compulsory; it's done by way the model incentivises the operators to seek out more modern buses. That's been reasonably effective from the commission's point of view.

Mr McKIM - It's also that the way the model was designed and was intended to provide a greater degree of certainty to potential lending institutions to lend money for the purchase of new vehicles. The feedback from the sector in Tasmania has been that it was very successful. In fact, the work that was done in developing the bus cost model has assisted in what is quite a dramatic reduction in the average age of our bus fleet.

Mr GAFFNEY - Who assesses the buses if private contractor comes and says, 'I want to provide this service for this amount of cost;' who actually within your department goes out and assesses the buses of their roadworthiness or notes whether they'll be roadworthy because they've got to go through -

Mr McKIM - They've been through registration.

Mr GAFFNEY - Yes, but to continually take it from 17 years further down. What's the average age of a metropolitan bus?

Mr McKIM - A Metro bus?

Mr GAFFNEY - Yes.

Mr McKIM - I don't have that information here, I'm sorry, Mr Gaffney, because it's not Metro Estimates.

CHAIR - It feels a bit like it.

Mr McKIM - Well, yes, go through this every year and then what will happen is that when we come to Metro Estimates, you'll ask me a whole bunch of questions about DIER.

Mr GAFFNEY - No, just a minute; you stated in your thing with the minister, with the average, it was all the buses together, rural and Metro, so now I'm asking you what is the breakdown and what's the difference between a Metro bus and -

Mr McKIM - I'm sorry, Mr Gaffney, I have to ask you to put that on notice.

Mr GAFFNEY - That would be great, thank you.

With the introduction of disability care - the NDI scheme coming up - what impact might that have on rural and special needs bussing? I'd be interested to know what's the supposed impact on those because students or part of that scheme is to be able to provide or look after their own needs. So what impact might that have?

Mr McKIM - Going from memory, I think we're looking at a cohort of perhaps just under 1 000 people in the target range for the NDIS. It's clearly not in my portfolio but I'm not aware that we've been asked to have a look at this. I've checked and neither is Mr Rutherford aware of any contact from the portfolios that are more directly working on the launch of the National Disability Insurance Scheme in Tasmania.

Mr RUTHERFORD - Through you, minister, we are aware of some overlap, for instance, with our transport access scheme and how that will be recognised as in-kind contribution by the state to the operation of that national scheme but a lot of this has still to be worked out with the states.

Mr GAFFNEY - It is interesting because from my understanding of attending a couple of their forums that if a child lives in an outlying area, a 15 to 24-year-old is part of the scheme, given that the rural and special needs scheme applies mostly to urban areas, requests bus transport to school, is the service required to provide a bus? There are some issues there about looking after their own funding. Will the buses be available if it is a wheel chair, needs, or whatever? There are a few grey areas there, I suppose. I am not asking for information now but it would be something I would like some feedback on about how you see that working together with what you provide.

Mr RUTHERFORD - I think we are not in a position to currently provide that but we are aware of the issues. That detail has still to be worked through.

Mr GAFFNEY - You will come back to me with the increase to the \$2 million, \$2.2 million?

Mr RUTHERFORD - Sorry, I have the material with me. May I, with your permission, minister? Essentially, most of this is just the effect of the cost indexation on the buses. There is some movement between the three sectors that accounts for a small part of that but that is just demand-driven change in the balancing. It is really the effect of some re-balancing between the services but predominantly driven by the cost indexation.

Mrs TAYLOR - The per cent?

Mr RUTHERFORD - Some of those costs have gone up significantly.

Mr GAFFNEY - I have been following the paper trail between the Cradle Coast Authority and the minister regarding this issue but when I sit here and listen to numbers of \$30 000 and \$800 000, and for a university student in Port Sorell it takes over two hours for them to catch a public transport bus to get to Burnie, which is 90 kilometres away, and I think the Cradle Coast Authority is asking for \$25 000 to further the study. They believe if that was granted or came from the minister that they could put into effect some great changes to what is happening on the north-west coast.

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My concern is for the social and educational needs of students on the north-west coast; they are being deprived of being able to get to the university or get to the coast. They just cannot get there from Port Sorell which is 90 kilometres away to attend an educational institution that they should be able to attend.

Mr McKIM - Mr Gaffney, I have been in correspondence with the Cradle Coast Authority which is seeking financial support to fund a network plan for the region. There were concerns raised with me by the department about this approach, which is not supported in its present form, and an alternative approach is currently being discussed with the Cradle Coast Authority, so there are discussions under way to better understand the issues that exist on the ground and the outcomes that are desired by the Cradle Coast Authority.

My advice to the authority to date has been that regional reviews of public transport are very resource intensive and time-consuming and therefore, given what is a very small investment being proposed by the Cradle Coast Authority, any work proposed must be very well focused and target a clearly defined problem.

I am not suggesting there are not clearly defined problems but that is what the work must target. I have proposed that DIER and the authority work collaboratively on a more focused investigation into the potential role of public transport in addressing specific issues on the north-west coast, including, potentially, the one you have identified.

I have suggested to the Cradle Coast Authority that the project follow a different form. Firstly, quantifying the extent and location of untapped labour supply on the north-west coast and examining impediments that exist for local enterprises that are employing these workers, and if it is determined that the lack of suitable transport options is a critical impediment, to give consideration to identifying the most suitable and cost-effective means of addressing that impediment.

That approach would provide a sound basis on which to assess the need for revisions to existing services and indeed I have advised the Cradle Coast Authority that in parallel with this work I will continue to take an interest in any proposals for additional bus services on the north-west coast made by bus operators under the service development plan. I've also asked DIER and the transport commission to facilitate moves towards greater cooperation and service integration by existing operators such as those that are currently being discussed by Metro.

CHAIR - It sounds like a resolution's coming sometime.

Mr GAFFNEY - Interestingly enough, I've had that same conversation with the CCA chair and obviously he believes that it's come to a bit of a standstill.

Mr McKIM - When was that discussion, Mr Gaffney?

Mr GAFFNEY - Yesterday.

Mr McKIM - Okay, relatively recent then.

Mr GAFFNEY - He pointed out that they believe they can come up with a local solution to this problem and that the money that you just put in would only be a small part of the money that they think they can garner from the communities up there. They are looking at a more

collaborative approach because things happen differently on the north-west coast just because of the needs of the area. When I was speaking with Mr Jaensch yesterday, they were a bit nonplussed to know where to go from now because they thought they'd tried everything. I think there just needs to be further comment -

Mr McKIM - I'll take that on board.

Mr GAFFNEY - Yes, please.

6.6 Non-metropolitan general access regular passenger transport services -

CHAIR - This area, non-metropolitan general access passenger services, has a decrease in funding. I'm interested to know why this area gets a decrease and the other two areas in the same output group had an increase. We are talking about \$665 000 decrease. Why the decrease? I would have thought non-metropolitan access is just as important as rural and metropolitan.

Mr McKIM - Mr Long will speak to this.

Mr LONG - A couple of years ago we went through a major review of all the passenger transport items in the core passenger services review.

CHAIR - Yes, I remember it well.

Mr LONG - Thank you. We remixed all of these items; they were actually in another form and then we've remixed them into these particular items, plus there's another item in the administrative expenses or transport subsidy concession area called rural and special needs school buses. All of those items were remixed. We found, over the last two years, that we needed to go back and review the mix and all we've done here really is make them more accurate in terms of expenditure on each item. Part of the increase in the whole output group is that remixing of these items plus the indexation as provided by Treasury for these items as time goes by.

CHAIR - You're not robbing Peter to pay Paul, minister, are you?

Mr McKIM - Mr Long advises me that I'm not.

Mr LONG - Just trying to make them more accurate in terms of the expenditure on each item.

CHAIR - So there won't be any students or people travelling on these services that will be missing out on opportunity to travel.

Mr RUTHERFORD - It in no way represents a reduction in service.

Mr McKIM - Thank you, Mr Rutherford. That's the advice that the chair was seeking, I'm sure.

CHAIR - That's exactly what we need to hear.

UNCORRECTED PROOF ISSUE

Members, are there any other questions in relation to these passenger transport subsidies and concessions at this point in time? If there aren't, then I'll say thank you very much for this morning's session.

The committee suspended from 1.34 p.m. to 2.30 p.m.