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PARLIAMENT OF TASMANIA

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**PARLIAMENTARY STANDING COMMITTEE OF PUBLIC  
ACCOUNTS**

**The Development of the  
FLINTSTONE DRIVE SUBDIVISION  
and Related Matters**

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*Laid upon the Tables of both Houses of Parliament*

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*The Committee was appointed under the provisions of section 2 of the Public Accounts Committee Act  
1970 (No 54)*

**MEMBERS OF THE COMMITTEE**

**LEGISLATIVE COUNCIL**

Hon A.W. Fletcher (Chair)  
Hon C.L. Rattray  
Hon J.S. Wilkinson

**HOUSE OF ASSEMBLY**

Mr. K.J. Bacon  
Hon G.H. James  
Mr M. T. Hidding

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## **1 THE PUBLIC ACCOUNTS COMMITTEE**

The *Public Accounts Committee Act 1970*<sup>1</sup> provides for the establishment of a joint committee, comprising three members from the Legislative Council and three from the House of Assembly.

The statutory function of the Committee is as follows -

The Committee must inquire into, consider and report to the Parliament on any matter referred to the Committee by either House relating to: -

- (a) the management, administration or use of public sector finances; or
- (b) the accounts of any public authority or other organisation controlled by the State or in which the State has an interest.

The Committee may inquire into, consider and report to the Parliament on: -

- (a) any matter arising in connection with public sector finances that the Committee considers appropriate; and
- (b) any matter referred to the Committee by the Auditor-General.

The current membership of the Public Accounts Committee (PAC) is: -

Hon A W Fletcher MLC	Mr K J Bacon (Lyons) MHA
Hon C L Rattray MLC	Mr R T Hidding MHA (from 25 August 2001)
Hon J S Wilkinson MLC	Hon G H James MHA

The Committee has the power to summon witnesses to appear before it to give evidence and to produce documents and, except where the Committee considers that there is good and sufficient reason to take it in private, all evidence is taken by the Committee in public.

## **2 THE INITIAL COMPLAINT**

In the first instance Mr Adrian Hawkes wrote to the Minister of Primary Industries, Water and Environment with a complaint about the Flintstone Drive Subdivision at Arthurs Lake. Attached to his correspondence was a copy of a document called the *The Flintstone Drive Report*, December 2000. The Report detailed a number of issues which Mr Hawkes, as the author, claimed needed further investigation.

Mr Hawkes considered that the responses from the Minister and the Department were

<sup>1</sup> The Public Accounts Committee Act 1970, No.54 of 1970 and subsequent amendments in the Public Accounts Committee Amendment Act No 89 of 1997.

unsatisfactory and on 12 May 2001 he wrote to the Public Accounts Committee expressing his dissatisfaction. He stated

*“I wish to draw your Committee’s attention to a highly speculative land subdivision at Dolerite Crescent which is now acknowledged by the Secretary of the Department of Primary Industries, Water and Environment will cause financial losses to our State’s finances.”*<sup>2</sup>

He went on to detail a number of concerns and requested that the Committee investigate the matter.

### **3 THE TERMS OF REFERENCE**

Prior to establishing a formal inquiry the Public Accounts Committee sought and received background information from the Department of Primary Industries, Water and Environment and the Central Highlands Council.

The Committee considered the complaint in the context of that information and on 3 October 2001 the Committee -

*Resolved, That the Committee inquire into the outcomes of the decision to subdivide land at Flintstone Drive/Dolerite Crescent at Arthurs Lake.*

On 11 October 2001 the Committee wrote to over ninety owners and residents asking for comment and submissions. Five written submissions were received.

On 2 November 2001, Members of the Committee inspected the site accompanied by a number of Departmental officers including Mr Alan Harradine, Chairman of the Shack Sites Project, Mr Scott Marston, Manager of the Shack Sites Project, Mr John Toohey, Manager of Crown Land Services and Mr Pravin Ram, Project Manager of the Flintstone Drive/Dolerite Crescent subdivision.

Mr Hawkes and a number of the shack owners were also present and were given the opportunity to discuss the project and any other particular concerns with the Committee.

### **4 SUBMISSIONS RECEIVED**

The five written submissions complemented and added to the report and papers submitted by Mr. Hawkes.

There was also a submission giving support to the outcomes achieved as a result of the development proceeding.

<sup>2</sup> A Hawkes, 12 May 2001

## 5 THE SHACK SITES PROJECT

The development of shacks situated on Crown land and occupied under licence has been an important part of the Tasmanian way of life for generations. Persons, wishing to build a shack identified a Crown land site and applied for a licence to occupy the site. The Crown issued annual licences usually after what could only be described as the most cursory of ad hoc considerations. Little regard was given to planning and environmental issues. In many cases the shacks were rudimentary, closely sited and environmentally unsustainable. As the recreational use of the shacks increased the pollution from sewerage and 'grey' water became an increasing problem.

When it became obvious to the shack owners that their tenure was short term and insecure they petitioned successive Governments for greater security.

To tackle the increasing problems associated with shacks on Crown land the Government, in 1991, appointed and resourced a Shack Sites Project team. The objective of the Shack Sites Project was to provide if possible for the secure long-term tenure of the licence holder and to eliminate the environmental problems associated with most clusters of shacks. By 1997 it was evident that the project was hampered by the limitation of requirements under the Resource Management and Planning System of Tasmania. To address the issues the *Crown Lands (Shack Sites) Act 1997* was passed by the Parliament in December 1997. The Act allowed for the creation where possible of secure tenure for existing Crown land shack owners. At the same time it ensured that shack sites so categorized were environmentally sustainable into the long-term future.

The Act provides for the following:-

- A one off opportunity to determine the long term tenure for shack sites on Crown land.
- The assessment of each shack site for suitability of long term tenure against criteria that addresses environmental, Aboriginal and social issues. (known as the Conversion Criteria).
- The types of determinations to be made by the Secretary of the Department being freehold (sale to existing Shack owner), leasehold (up to 30 years) or relocation/removal.
- The ability for innovative options to deliver greater security of tenure consistent with the unique nature of shack developments.
- Mandatory consultation with local councils, shack owners and the Office of Aboriginal Affairs in determining future tenure arrangements.
- Tenure determination to be made without requiring public funds.
- A simple mechanism for shack owners, local councils and adjoining

land occupiers to appeal tenure determinations made by the Secretary of the Department.

The Conversion criteria were developed by the Minister with regard to the State Coastal Policy and the objectives of the Resource Management and Planning system set out in Schedule 1 to the *Land Use Planning and Approvals Act 1993*.

The Secretary, in making shack determinations, must apply the specified criteria.

In addition to the criteria more secure tenure cannot be granted unless it has been established that:-

- (a) Waste water from shacks can be effectively treated and disposed of to a standard acceptable to Department of Primary Industries, Water and Environment and the local council; and
- (b) The shack does not prevent public access to public lands and waters.

## **5.1 Flintstone Drive**

The Flintstone Drive subdivision is situated at Pump House Bay, Arthurs Lake, in the Central Highlands. The licenced structures were erected in a random manner over a period of many years.

The position and density of the licenced shacks and the geology of the area meant that onsite wastewater disposal systems or septic tanks for the management of sewerage waste did not meet the requirements of the approving authority, which was the Central Highlands Council.

Mr Gudde of the Central Highlands Council reported that there were -

*" lots of meetings between the Government and the council and the shack owners jointly to discuss most of these issues. ....wastewater treatment and disposal, roading access, fire safety, storm water management – all issues we would normally deal with as part of a subdivision.. ”*<sup>3</sup>

The combination of less than satisfactory environmental management and the on going demand for improved security of tenure from the shack owners was sufficient to cause Government to take action.

The Government's decision to tackle and eliminate the problems of Flintstone Drive and to provide security of tenure demanded creative planning and survey outcomes. The development of an adjoining subdivision at Dolerite Crescent was one of the creative tools used to tackle the task.

3 D.Gudde, Transcript of Evidence, 22 August 2001, p12

## 6 KPMG – A PROFESSIONAL OPINION

Mr. Hawkes's initial contact was to the Minister and the Department. He submitted the 'Flintstone Drive Report' as the basis for his complaint.

The Minister rejected the 'Report' as fundamentally flawed.

He took the decision to refer the report to an independent assessor in order to obtain a further opinion for the Public Accounts Committee.

KPMG, professional infrastructure consultants were then engaged to undertake an independent assessment.

KPMG's objective was to test the assumptions and calculations in the 'Flintstone Drive Report' and the appropriateness of the decision by the Department of Primary Industries, Water and Environment to develop Dolerite Crescent.

The KPMG analysis was provided to the Public Accounts Committee and was subsequently made available to Mr. Hawkes.

Mr Hawkes examined the KPMG review and questioned the validity of the calculations.

On 17 December 2001 the Public Accounts Committee wrote to the Department of Primary Industries, Water and Environment with the following question -

*“there is an assertion by Mr Hawkes (Submission (Point 4) – 3 December 2001) that the conclusions drawn by KPMG were founded on a profound mistake as to costs of infrastructure and the “impossibility that an 83 lot subdivision could be equal to 132 lot subdivision” in terms of road construction costs and sewerage and stormwater costs.*

*Would you please provide argument in relation to Mr Hawkes' assertion?”<sup>4</sup>*

The Department responded by saying -

*The KPMG report on page 4 and page 10 refers to a SEMF-sourced \$110,000 difference in costing between creating Flintstone Drive plus Dolerite Crescent or just Flintstone Drive. This is in the table that refers to infrastructure costs. Thus Mr Hawkes' assertion is incorrect.*

*It should be noted that whether or not the Dolerite Crescent subdivision proceeded, the Dolerite Crescent road would have had to have been largely built to service the existing Flintstone Drive shacks at the eastern end of the existing shack subdivision and the sewer line was to run close to what became Dolerite Crescent. This explains why the additional costs*

<sup>4</sup> Public Accounts Committee, 17 December 2001.

*involved for the Dolerite Crescent subdivision infrastructure were significantly less than would have been expected on a proportional basis. It should also be noted that the alternative access route to the current line of Dolerite Crescent now promoted by Mr Hawkes, would have involved the relocation of shacks in a line east of the Flintstone Drive, which was considered unacceptable.”<sup>5</sup>*

The Public Accounts Committee has incorporated some of the KPMG findings in the following consideration of the issues.

## **7 THE KEY ISSUES**

The PAC became involved when Mr. Hawkes, supported by others, claimed that the solutions employed by Government were deleterious to the best interests of the Flintstone Drive shack owners and the Tasmanian taxpayer.

The PAC identified the following as the key issues in the minds of the complainants:-

- Dissatisfaction with the selected development option;
- Mistrust of the basis for calculating costs;
- Expectation of a refund; and
- Anger that infrastructure was sub standard or not provided as stated.

These four key issues will now be considered in detail.

### **7.1 Dissatisfaction with the Development Option**

The dissatisfaction of the Flintstone Drive shack owners was clearly identified in Mr. Hawkes' report and papers. The PAC considered those papers and also considered submissions by other individuals. It measured those against the historical record provided by the Department of Primary Industries, Water and the Environment.

This section details the dissatisfaction of the shack owners, considers the various development options available to the Department, considers the historical record and further considers the KPMG response to the 'Flintstone Drive Report'.

The PAC findings in relation to the shack owners dissatisfaction with the selected development option are detailed in this section.

#### *7.1.1 The Basis of Dissatisfaction*

A number of owners were dissatisfied with the process leading to the decision to develop Dolerite Crescent. Their position was described in the following way -

*“owners accepted the Departments position as to the necessity of developing Dolerite Crescent because they felt threatened by concerns that*

5 K Evans, Department of Primary Industries, Water and Environment, 10 January 2002

*they would lose the opportunity to secure freehold title.”<sup>6</sup>*

*“the Department was motivated to develop Dolerite Crescent by the “false belief that that it would make substantial profits from the subdivision”<sup>7</sup>*

*“the speculative nature of the development”<sup>8</sup>*

*“lack of viability of the subdivision”<sup>9</sup> and*

*“the whole thing at Dolerite Crescent isn’t an issue of the sewerage system its an issue of once they decided to use a reticulated system there was no need for Dolerite Crescent because the only reason it was going to be there was because there was some fear that 55 shack owners were going to move or be forced to move because there was a problem with septic tanks”<sup>10</sup>*

Before deciding on the appropriate development option the Department considered four separate options. They were:

#### 7.1.1.1 Retain Existing Sites and Systems.

This option was clearly contrary to Government policy at the time as it did nothing to address the owner’s requests for greater security of tenure and did not provide for any improvement to the environmental problems, which were escalating as the recreational use of shacks increased.

Clearly this option was never acceptable to any of the parties.

#### 7.1.1.2 On-Site Waste Water Disposal and Removal of Shacks

The advice from consultants suggested that if waste water was to be managed on site, lot sizes would need to be bigger and to allow for an increase in lot size approximately 55 shacks would need to be removed. Only 28 shacks, with approved septic tanks to manage waste on site, would remain.

This option, if implemented, would minimize the infrastructure costs for the favoured 28 at the expense of their relocated neighbours.

The disadvantages of this option were the social disruption and the cost to Government of relocating the 55 shack owners forced to leave Flintstone Drive. There were no lots available in the general area to meet the relocation demand.

This option was unacceptable to either party

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<sup>6</sup> A Hawkes, The Flintstone Drive Report. December 2000, p 9

<sup>7</sup> Ibid

<sup>8</sup> A Hawkes, The Flintstone Drive Report. December 2000, p7

<sup>9</sup> Ibid

<sup>10</sup> A Hawkes, Transcript of Evidence, 22 August 2001, p5

### 7.1.1.3 Development of Flintstone Drive Only

A third option offered a reticulated waste management system with an off-site sewerage disposal system. This option allowed for the retention of all but three shacks located in the HEC's transmission line easement.

The disadvantage of this option was the cost of both the establishment and the ongoing costs of maintenance of the off-site disposal system.

Shack owners were unhappy with the likely costs of obtaining title under this option and requested that the Department investigate further proposals for reducing costs.

### 7.1.1.4 Develop a New Subdivision

The concept of creating a subdivision at Dolerite Crescent, adjoining Flintstone Drive was approved by the then Minister, Mr John Cleary in November 1995. The object and intent of the concept was to offset and reduce the cost to the Flintstone Drive owners.

The Government was prepared to accept the risk associated with developing an expanded subdivision. At that time it was hoped the subdivision would be cost neutral.

As well as reducing infrastructure costs for owners, the development option had the advantage of providing lots for relocation if shack owners in other areas were forced to move because their properties did not comply with conversion criteria.

In November 1996, after consultation with the Valuer-General, it became evident that the market value of the newly created lots would result in a cost to Government. At all times the Department endeavoured to keep costs to a minimum and Mr Peter Hodgman, the then Minister, received a written briefing to that effect.<sup>11</sup>

The Department considered all the above options before deciding to proceed with the Flintstone Drive/Dolerite Crescent subdivision. It is clear that the decision was made with the support of the stakeholders.

### 7.1.2 *A Consideration of the Evidence*

In November 1998 the Minister, David Llewellyn approved the calling of tenders for the construction phase of the Flintstone Drive/Dolerite Crescent subdivision. The approval was given on the basis that every attempt was to be made to make the subdivision cost neutral for taxpayers.

The tender for subdivision construction was advertised on 12 December 1998 and awarded to Stornoway Gravel Constructions on 31 March 1999.

The Department of Primary Industries, Water and Environment noted that the Dolerite Crescent Road was required regardless of whether or not the Dolerite Crescent

<sup>11</sup> Department of Primary Industries, Water and Environment, Briefing Paper

subdivision was proceeded with in order to provide access to existing shacks located at the eastern end of the Flintstone Drive subdivision.

Mr Hall, a shack owner supportive of the Government's actions made a similar observation also in his submission -

*“Access would not have been possible for some owners without Dolerite Crescent”<sup>12</sup>*

The development of the Flintstone Drive/Dolerite Crescent subdivision was considered to be the best way to overcome the many planning and environmental problems associated with Flintstone Drive. The maximum number of shacks were retained and the financial imposts were spread between a greater number of actual and potential residents and owners.

In his submission Mr Hall relates the following -

*“a meeting of shack owners from the Flintstone area was called and we met at the Bothwell Council Chamber to talk through our options.*

*The meeting was extremely well attended and after considerable debate two resolutions were put to the meeting”<sup>13</sup>*

The resolutions were to consider the following two questions:-

- Do shack owners at Flintstone want freehold title to the land; and
- Do we want the Government to subdivide the blocks in such a way as to minimise the need for shack owners to relocate their shacks?

His submission says that while the wording above may not be absolutely accurate the intent was accurate in terms of meaning. He added that -

*“my view is that we had given the government and council a difficult task and we were prepared to negotiate an outcome to realise the above”<sup>14</sup>*

Mr Hall reports that both motions were overwhelmingly carried.

A number of shack owners formed a committee which met with Government and council representatives on many occasions over the next three or four years. The meetings covered the issues noted earlier, that is, waste water treatment and disposal, roading, access and fire safety. Independent valuations of every block in the area were obtained and circulated to owners to provide a basis for negotiations.

Mr Hall says-

*“During the negotiating period it became clear that to achieve our aim of*

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<sup>12</sup> M Hall, Submission

<sup>13</sup> Ibid

<sup>14</sup> Ibid

*minimising relocations we were going to have some form of acceptable sewerage system as well as changes to current block boundaries. And whilst some shack owners found this difficult to accept, the vast majority (90% plus) did understand and so it was agreed to proceed ..... The Dolerite option provided for shared infrastructure costs for owners.”<sup>15</sup>*

A detailed design phase for the joint Flintstone Drive/Dolerite Crescent subdivision was approved in January 1997 by Mr Hodgman.

The time taken for the subsequent approval process was quite lengthy.

Mr Gudde gave the following evidence -

*“...it probably took longer than eighteen months before a final application- which in turn became 137 lots because of some reconfiguration of lot designs and some road structures , it was formally dealt with by Council in early 1988 – I think from memory it was January 1988. About two months later a permit was granted under section 57 of the Land Use Planning and Approvals Act to the then DELM to proceed with a 137 lot subdivision”.*<sup>16</sup>

Tenders for construction were advertised on 12 December 1998 with the successful tenders being accepted on 31 March 1999.

In considering the appropriateness of the decision to proceed with the integrated subdivision KPMG noted the objectives of the Shack Sites Project which are to:-

- Reduce Crown responsibility for shacks on Crown land;
- Resolve uncertainty of long term shack site tenure for both Crown and Shack owners;
- Provide Local Government with environmentally sustainable subdivisions within their municipality;
- Increase shack owners knowledge of cultural and environmental issues within their shack site area; and
- Improve the environmental, natural and cultural sustainability of shack site areas.

KPMG found that the option to develop a subdivision including Dolerite Crescent, was appropriate for the following reasons:-

- It reduced both the upfront infrastructure costs and the annual cost to existing shack owners;
- The environmental management for the area was a major priority;
- The selection of 28 lots to remain on existing sites while evicting others would have created social justice issues. It would also have created a dilemma regarding appropriate relocation for displaced

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<sup>15</sup> Ibid

<sup>16</sup> D Gudde, Transcript of Evidence, 22 August 2001, p 12

- owners; and
- The subdivision provided options for existing shack owners of other shack site areas that may have been required to relocate.

Mr Hawkes's contention that Dolerite Crescent was not needed once the decision had been made to use a reticulated system ignores the fact that Dolerite Crescent was developed to allow the costs of essential Flintstone Drive infrastructure to be spread among a greater number of owners or potential owners. It was also pointed out that Dolerite Drive was needed for access purposes.

### 7.1.3 *The PAC's Findings*

The decision to re-develop the Flintstone Drive subdivision in tandem with a subdivision at Dolerite Crescent was appropriate.

The integrated development option reduced the cost to the Flintstone Drive shack owners.

The integrated subdivision maximized the retention of existing shacks in Flintstone Drive.

The Dolerite Crescent section provides important flexibility if relocation of shacks from other areas is necessary.

The Dolerite Crescent road provides important access options to shacks situated at the eastern end of Flintstone Drive.

## **7.2 Mistrust of the Basis of Calculating Costs**

The complainants contend that the cost of infrastructure for Dolerite Crescent is much higher than similar costs associated with the Flintstone Drive development. The complainants argued for a cost estimator to be retained to provide a proper division of costs in the belief that such an action will prove their claims.

The PAC considers aspects of all these matters in this section and details its findings.

### 7.2.1 *The Basis of Mistrust*

The following excerpts show the concerns of owners about the calculation of the final costs to shack owners -

*“the price of the original Flintstone Drive shack sites were illegally increased above the true cost because the Department combined its infrastructure and roading costs with the shack owners works resulting in a cross subsidisation in the Department's favour”<sup>17</sup>*

*“the Department (of Primary Industries, Water and Environment) has*

17 A Hawkes, 13 May 2001

*unlawfully used shack owners private funds to finance their subdivision.”<sup>18</sup>*

*“shack owners either unwittingly or were induced into accepting that the cost of works for the separate subdivisions should be averaged”<sup>19</sup>*

*“there is big difference between infrastructure costs between the old and new areas”<sup>20</sup>*

#### 7.2.2 A Consideration of the Evidence

The PAC has chosen to consider the evidence with regard to the matter of costs in three separate sub sections – cost to owners, calculations of costs and the cost to Government/taxpayers.

##### 7.2.2.1 Cost to Owners

The sale prices of existing shacks were determined under section 25 of *the Crown Lands (Shack Sites) Act 1993*.

As an example the sale price for lot 74 was \$15,755 comprised as follows:-

Land Value	\$4500
Infrastructure	\$11255
Total	\$15755

The infrastructure cost component on a per shack basis was calculated and it totalled \$1 627 650 divided between all 132 lots resulting in a figure of \$12 300 per lot rounded down.

The Minister approved a reduction of \$1075 per existing shack in recognition of the additional requirements of the Central Highland Council under LUPA. (This may not have been necessary if the subdivision had been carried out under the *Crown Lands (Shack Sites) Act 1993*).

KPMG have calculated that the total cost, if the Dolerite Crescent development was excluded, would have been \$18 825 (this figure takes account of an estimated reduction by SEMF of \$110, 000 by not providing the Dolerite lots).

KPMG have also noted that the -

*“Hawkes analysis includes a land value of \$5,000 per lot (Appendix A –item 3). This has been determined based on deducting allocated infrastructure costs from the sales value to determine a land value content. This is not an appropriate method to undertake this analysis. In our view the appropriate value of the land for the purposes of assessing profit/loss should be the value*

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<sup>18</sup> Hawkes, A, The Flintstone Drive Report. December 2000, p 1

<sup>19</sup> Ibid, p 9

<sup>20</sup> P Gough, Submission

*of the land to the Government prior to improvements. A valuation supplied by the Valuer-General dated 21 June 2001 states the value of the land subdivided into the blocks known as Dolerite Crescent prior to improvement was \$50,000.”<sup>21</sup>*

Once the decision had been made to develop Dolerite with the in principle agreement of residents it is evident that all possible measures were taken to provide an optimum result at the most reasonable cost.

#### 7.2.2.2 Calculation of Costs

Mr Hawkes repeatedly questioned the manner in which the costs particularly administration costs, were calculated.

Mr John Toohey explained how the costs were derived -

*“Given that the amendments to the Crown Lands (Shack Sites) Act 1997 which, amongst other things, specified survey costs as administrative costs, did not occur until late in 1999, it is necessary to clarify what the survey cost component comprised. It only includes the costs of surveying the infrastructure locations and the multiple plan variations requested by many shack owners to accommodate individual wishes. It does not include the subdivision block layout or any survey work undertaken by Departmental surveyors. On this basis, at the time it was considered reasonable to include the \$12,000 portion of the overall costs in the calculation.*

*The “confusion” surrounding the pricing process at Flintstone and the many costly amendments to the survey plans occasioned by the personal wishes of shack owners, were two of the catalysts leading to the 1999 amendments of the Crown Lands (Shack Sites) Act 1997.*

*The existing shacks at Flintstone were subsidised in the overall subdivision proposal to the tune of 49 vacant blocks @ \$12,500 plus 83 shacks @ \$1075 plus 83 shacks @ \$30, to help make the proposal somewhat viable and at a reasonable cost for the shack owners.*

*The discount of 10% granted on the land value of the shack sites for settlement within 30 days, is also a “subsidisation” real cost to the Crown that rests in the outstanding cost recovery through the vacant blocks.*

*The Crown is carrying the outstanding costs and risks associated with the vacant blocks. It is likely to take a minimum of five years to sell the vacant blocks.*

*The subdivision was planned and developed over a period in excess of five years with the Flintstone shack owners. The costs incurred over that time*

21 KPMG, Review of ‘Report on Flintstone Drive’, 25 June 2001.

*were not passed on to the shack owners. There were numerous general meetings of the shack owners and votes on the issues organised by the shack owners themselves, including a secret ballot.”<sup>22</sup>*

KPMG did not include a review of the legality of the Department’s actions in recovering infrastructure and administration costs. The evidence from the Department of Primary Industries, Water and Environment indicates that the costs were calculated fairly and with impartiality.

### 7.2.2.3 Costs to Government

KPMG concurred with the assertion by Mr Hawkes that the Dolerite Crescent development had generated a loss but they considered that an estimated cash loss of \$177,899 was more likely. This figure is much less than the estimates of Mr Hawkes which ranged from \$450,000 to \$810,000.

KPMG found the analysis by Mr Hawkes was flawed in the following material respects:-

- (a) He provided no estimate of the potential Government contribution to removal and relocation costs; and
- (b) He differed in the approach taken with respect to the capital cost of land.

KPMG found that the Department of Primary Industries, Water and Environment did not have an objective to derive positive financial outcomes as would be the case for speculative subdivisions and further that the recovery of the cost of capital is not Government or Departmental Policy. If the cost of capital (holding costs) were excluded the estimate of loss would be \$38 563 according to KPMG and \$299 379 according to Mr Hawkes.

Mr Evans, in responding to Mr Hawkes on the 10 April 2001 made the following comment -

*“Whilst I acknowledge there will be a net cost to Government in relation to creation of the Dolerite Crescent subdivision I cannot agree with the way you have calculated your figures.*

*You have applied a strict private sector profit and loss accounting treatment to the financial analysis of this subdivision. This is not applicable in a Government environment in which social factors and decision “appropriateness” must be built into any decision making. In these circumstances a net economic loss is not a key criterion on which the success of an activity is judged..... ..*

*The Government’s policy in regard to the financial outcomes of the Shack Sites Project is that over the entire program there is not to be a net cost to the*

22 J Toohey, letter to A Hawkes, 25 Augusts 2000(Appendix E of A Hawkes’ submission)

*Government. This goal will undoubtedly be achieved.”<sup>23</sup>*

Mr Evans went on to say that he believed the projected losses for the Flintstone Drive project are very much overstated.

It is clear that while the intent of the Government was to recover costs of the Flintstone Drive/Dolerite Crescent development other considerations including environmental responsibility and social cost were mitigating factors. It remains to be seen what the final financial cost to Government will be both for the entire Shack Sites Project and in particular for the Flintstone Drive/Dolerite Crescent area.

The KPMG analysis of the nature and treatment of capital cost is accepted as being the most accurate interpretation.

### *7.2.3 The PAC's Findings*

The Flintstone Drive and Dolerite Crescent integrated subdivision was developed as a single contract and a division of costs between Flintstone Drive and Dolerite Crescent is neither relevant nor practical after the event.

The basis of calculation of costs leading to the determination of a purchase price for each shack owner in Flintstone Drive is fair and equitable. The integrated development reduced the cost to Flintstone Drive shack owners by approximately \$6000.

There is no evidence to support the contention that the project was designed to make money or was of a speculative nature.

The true cost to taxpayers of the total subdivision will not be known until the Shack Sites Project has been completed and the market has had the opportunity to consider the true value of the remaining Dolerite Crescent lots.

Mr. Hawkes has calculated the likely cost to taxpayers as being up to \$850 000. KPMG has estimated the cost to taxpayers as being \$177 000. It is likely the actual figure will be some where between these two margins.

The PAC acknowledges and accepts the equity of the Government's policy to manage the shack sites categorization program so that at the conclusion of the entire program there will be no net cost to taxpayers.

## **7.3 The Expectation of a Refund**

In spite of shack owners apparently agreeing to the calculated purchase price for the newly created titles/land parcels the Public Accounts Committee became aware that, in the minds of some shack owners, the possibility existed of the Government refunding some of the purchase price.

23 K Evans, Letter to Mr Hawkes, 10 April 2001

It appears to the PAC that the call for a refund was conceived and promoted by Mr Hawkes.

The PAC considered the claim, measured it against the outcomes favouring shack owners and details its findings in this section.

### 7.3.1 A Consideration of the Evidence

A number of times Mr Hawkes raised the prospect of a refund to the original owners.

He said -

*“ongoing retention of the funds is unlawful”*<sup>24</sup>

and -

*“contributions attributable to Flintstone Drive be refunded to shack owners”*<sup>25</sup>

The figure suggested as a refund varied from around \$4000 to \$6000. Mr Rowlings wrote to shack owners on 11 September 2001 asking them for their urgent support and action. He said -

*“Mr Hawkes has advised me in recent discussions, of his belief that shack owners have been overcharged.....the overcharge could be as high as \$6000.”*<sup>26</sup>

### 7.3.2 The PAC’s Findings

The PAC does not believe that shack owners in Flintstone Drive are entitled to a refund.

The PAC is inclined to the position adopted by Mr. Hall when he submitted –

*“where else in the world could one get comparable land with lake views, bitumen roads, electric power and sewerage for around \$16000 and one might add world class fishing”.*<sup>27</sup>

In all the circumstances the price charged for lots in Flintstone drive is fair and reasonable.

## **7.4 Anger that Infrastructure was Sub-Standard or not provided as stated**

The great substance of the concerns causing anger among the shack owners was addressed in detail in the ‘Flintstone Drive Report’ but individuals also expressed

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<sup>24</sup> Hawkes, A, The Flintstone Drive Report. December 2000, p 10

<sup>25</sup> Ibid,p13

<sup>26</sup> J Rowlings, Submission,11 September 2001

<sup>27</sup> M Hall, Submission

concern and anger through their submissions and further at the on-site meeting.

The core arguments from the complainants were firstly, that the waste management scheme was much bigger and therefore more costly than was needed for a cluster of shacks occasionally used, and secondly, that the roads, drains and crossovers delivered under the terms of the Stornoway Gravel Constructions contract were inferior or not as promised.

The PAC considers these issues in this section and details its conclusions.

#### 7.4.1 *The Cause of the Anger*

Those who forwarded a submission raised issues causing them anger. The matters were further highlighted when the PAC visited the village for an on-site inspection.

The concerns are reflected in the following comments.

*“My points of contention are with the associated infrastructure, the up front cost, the apparent lack of professional project management and control of the subdivision and associated works and the quality of the final service delivered.”* <sup>28</sup>

*“I note with concern the lack of completion of stormwater drains and crossovers. You would think that all roads in a development of this kind would need a table drain”* <sup>29</sup>

*“lack of reticulated power supply leading to difficulties in proceeding to the sale of the lots at the calculated price.”* <sup>30</sup>

*“the capacity of the chosen sewerage system was greater than what was required .....the need for Dolerite Crescent disappeared following the decision to use a reticulated system”.* <sup>31</sup>

As well as the key issues highlighted above there were a number of secondary issues associated with infrastructure. The following statements paraphrase the views of owners.

- Mr Murray questioned the accuracy and authority of verbal statements about what shack owners could expect for their money regarding roads and drains.
- Mr Gough suggested that the capacity of the sewerage system was chosen with a view (by the Central Highland Council) for the Caravan Park to be connected.
- Mr Gough cited continuing problems with drainage and public access.
- Mr Sylvester made it clear that he fully supported the original concept of the shack

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28 P Sylvester, Submission

29 A Murray, Submission

30 A Hawkes, The Flintstone Drive Report.

31 A Hawkes, Transcript of Evidence, 22 August 2001, p2

sites project but he had concerns about the associated infrastructure and the cost and quality of the outcome.

7.4.2 *A Consideration of the Evidence – Roads etc*

Some owners suggested that the Flintstone Drive Road was of a reasonable standard prior to the development. The Council and the Department gave evidence to the Committee to the effect that the road was previously an HEC road and that upgrading was one of the conditions precedent to the subdivision proceeding and the owners obtaining title.

The Department of Primary Industries, Water and Environment advised that under the contract -

*“All roads at the settlement were constructed to the same road standard. Additional base upgrades were carried out to Flintstone Drive, Chert Place and Quartzite Close. These provide access to existing shack sites.*

*Dolerite Crescent closely follows the alignment of a pre-existing fire trail which largely determined the route of the new road.”*<sup>32</sup>

The Committee was also informed that -

*“Various contract variations were agreed to by the Contractor, the Crown and the Central Highlands Council under advice from the Contract Superintendent. The variations ranged from installing sub soil drainage, improving road pavement, supply and installation of additional materials, equipment or services in order to comply with Council requirements. Variations such as these are not unusual in infrastructure contracts.”*<sup>33</sup>

7.4.3 *The PAC's Findings*

Stornoway Gravel Constructions won a tendering process to provide the roads, drains and crossover infrastructure associated with the subdivision.

Stornoway Gravel Constructions identified the need, if the standard set by the Central Highlands Council was to be met, of variations to the contract. Those variations were agreed to by the client and the Central Highlands Council and the tender was completed to the satisfaction of the stakeholders.

Stornoway Gravel Constructions provided a 12 months defects liability period following the practical completion certificate by the Contract Superintendent. All known defects were repaired or fixed within the defects liability period.

Subdivision infrastructure was accepted by the Central Highlands Council as being of an acceptable standard. The Council is responsible for management, repair and maintenance

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<sup>32</sup> S Marston, Project Manager, Shack Sites Project, 6 December 2001.

<sup>33</sup> K Evans, Secretary Department of Primary Industries, Water and Environment, 12 January 2002.

of the present and future road deterioration.

The upgrade of the Flintstone Drive road was a necessary condition precedent to the subdivision proceeding.

7.4.4 *A Consideration of the Evidence – Waste Management*

Early in 1998 the Central Highlands Council granted a permit to proceed with a 137 lot subdivision. The permit had strict conditions, particularly with respect to a waste water treatment system. The choice was made with reference to the established criteria and was considered to be the best possible choice at the time.

When questioned about the choice of the sewerage system Mr Hawkes said -

*“I would have done what they did in respect of a sewerage system. It was clearly on environmental terms an untenable position for it to continue in to the future and for the Department (of Primary Industries, Water and Environment) to properly sell these shack sites to the shack owners.*

He went on to say -

*.... but not that reticulated system. That reticulated system I’ve been informed, or advised has a capacity of between 200 to 300 shacks and most of these reticulated systems- we are really talking about an urban system are designed on a 100% loading.”*<sup>34</sup>

Mr Hawkes’s complaint with respect to the sewerage system was based on the size of the system. He suggested other systems should have been investigated. A number of the owners agreed and believed that a smaller system would have been adequate.

Mr Gough said -

*“there had been no study of usage pattern prior to selection”*

The acceptable waste water system approved by the Central Highlands Council was capable of servicing more than the shacks in Flintstone Drive. It was reported that a smaller plant was not an option as no other supplier could provide the performance guarantee required under the Central Highlands Council’s permit conditions.

Mr Gudde told the Committee some very strict conditions were imposed and those conditions had been previously discussed between the Department and the Council so there was never any misunderstanding.

Mr Gudde said -

*“There were some very strict conditions that were imposed .....There was*

34 A Hawkes, Transcript of Evidence, 22 August 2001, p2

*a part 5 agreement prepared under PUPA..... to say that the waste water system had to be a design and a specification agreeable by all parties and the council was to be part of the process.” (Mr Gudde transcript p13)*

*...The Council is aware of what the shack owners’ livelihood is like and how they envisage the plateau, but it was the advice at the time – and I was party to that advice and those discussions – that the plant had to be designed to be able to cope with maximum loading.*

*There are times in summer where there are a lot of people at Flintstone Drive; probably all the shacks are full of people. The land is zoned holiday residential under our planning scheme, which means that there is nothing to stop people living in those houses all the time if they wish to; they can have their friends there and when they are not there they can invite someone else to come and stay at their shack.”<sup>35</sup>*

The Chairman, when questioning Mr Hawkes, put the following case -

*“The conundrum seems to be from my perspective, that whether you or I or any person as responsible decision makers, would approve a standard of environmental management or effluent management for a site that is geared to the present day situation on the basis that the present day owners don’t want anything that is better. They are quite happy there, they just want to live there, go up on weekends. Then on the passing of that person or when that person tires of the situation and sells the shack site, the next owner, or the owner after that, might decide to live there full time. This could happen. The taxpayers of the future are then burdened with the payment of rates and taxpayers to upgrade the effluent at a much greater cost at that stage – the effluent management would be at a much greater cost. It seems to me if you knew that was a potential; that there is no limit to that happening; nothing to stop that happening in the future; a prudent manager would put in the infrastructure in the first instance and accommodate that potential.”<sup>36</sup>*

In response Mr Hawkes said –

*“All right, let’s concede that that is a valid point”<sup>37</sup>*

The Central Highlands Council testified that the system chosen was the best for the purpose at the time.

Mr Hawkes conceded that a prudent management system would allow for appropriate growth and future development.

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<sup>35</sup> D Gudde, Transcript of Evidence, 22 August 2001, P14

<sup>36</sup> Chair, Transcript of Evidence, 22 August 2001, p5.

<sup>37</sup> A Hawkes, Transcript of Evidence, 22 August 2001, p5.

The Central Highlands Council, rightly seeking to protect its ratepayers both now and into the future, insisted that the sewerage disposal system have the capacity to meet the load demand as if the residences were occupied full time.

This planning decision was prudent.

If that standard had not been met the subdivision would not have taken place.

## 8 OTHER ISSUES

### 8.1 Installation of Crossovers

Several complaints, as well as addressing the standard of the road construction, specifically drew attention to the non-completion of storm water drains and crossovers.

Mr Murray noted with concern -

*"...the lack of completion of stormwater drains and crossovers in the Flintstone Drive area."*

He suggested that this alleged deficiency could possibly be explained in the following way -

*"It would appear that shackowner's money may have been eaten up by the Dolerite Crescent development which has been correctly completed apart from the low grade seal on roads."*<sup>38</sup>

Mr Murray told the Committee that when he had contacted the Department he was advised that the situation had been monitored and that further work in relation to drains and crossovers was not considered necessary.

The Committee asked the Department of Primary Industries, Water and Environment to respond to the suggestion that -

*"That shack owners had paid for 23 crossovers which have not been installed"*

The Department responded with the following statement -

*"The shack owners freely entered into sale contracts to purchase their sites. The Sale Contracts made no reference to any crossovers. The sale contracts refer to "sale price", a component of which is the Infrastructure Contribution. The Infrastructure Contribution was the total sum paid by shack owners towards the costs of the infrastructure for the subdivision,*

38 A Murray, submission.

*which was pre-determined. This process was agreed to at an open shack owner meeting. No breakdown of the Infrastructure Contribution is made in the sale contracts.*

*Design Drawing 13171/1/C3, Sheet 1 which forms part of the tender documents shows 5 double and 17 single access crossovers along the eastern side of Flintstone Drive. The Flintstone Drive Subdivision Contract Document contract number 13171/2 shows all stormwater drains as one item under the Schedule of Prices. Twenty-seven driveway culverts and endwalls, valued @ \$17,750 were subsequently deleted through the issue of Contract Variation Advice 18 by the Contract Superintendent. This variation was made in agreement with the Central Highlands Council as the culverts and endwalls were not considered to be essential items. The cost saving was absorbed in other subdivision cost over-runs, eg. installing sub soil drainage, improving road pavement, supply of and installation of additional materials, equipment or services in order to comply with Council requirements.*

*In summary, the total infrastructure costs for Flintstone Drive and Dolerite Crescent (roads, drainage, wastewater reticulation and treatment) were divided by the total number of lots to arrive at the Infrastructure Contribution charged as part of the individual contracts of sale. Subsequent cost-overruns under the infrastructure contract meant that some drainage work that was originally planned but not required by the Central Highlands Council was not installed. However, the shack owners paid a pre-determined fixed infrastructure contribution and the works were completed to Council requirements. It should be noted that under this arrangement the risk of any cost over-runs on the contract was totally carried by the Crown and not shack owners.”<sup>39</sup>*

It was clear that roadwork and drainage did present some difficulties for the contractors and variations to the original contract did take place.

Further it is clear that the shack owners had a number of expectations about the infrastructure even though such expectations cannot be supported by documentation.

At the site inspection on 2 November 2001 and later after considering a report prepared following a second site inspection on 8 February 2002, it became clear to the PAC that there was a need for more crossovers to meet the needs of individual owners and to bring the subdivision to a satisfactory standard.

#### *8.1.1 The PAC's Findings*

Crossovers are required to meet the needs of shacks sited at 38, 52, 54 and 56 Flintstone Drive.

The provision of the crossovers is a responsibility of the project developer.

39 K Evans, Department of Primary Industries, Water and Environment, 10 January 2002.

## 8.2 Sewerage Rates

Mr Rowlings expressed anger at the increased rates demand for sewerage. His contention of a 200% increase has been refuted by Mr Berriman, General Manager, Central Highlands Council.

Mr Berriman replied to Mr Rowling's correspondence saying -

*"Your letter stated there has been a 200% increase. This is not the case as the \$100 charge last year was for the period March to June (4 months) and proportionately equates to \$300 per year...."*

He went on to say -

*The more users connected to the scheme, the less the costs per user will be hence the reason that a lot of higher population centres have lesser rates.*

*As pointed out in my letter to all Flintstone residents of 24 July the rates are based on actual costs incurred and must be recovered to satisfactorily operate the scheme. "*<sup>40</sup>

The costs of the sewerage system should in time be spread among a greater number of residents.

### 8.2.1 The PAC's Findings

This matter is rightly between the Central Highlands Council and the ratepayer.

The PAC notes that the initial demand for rates from the Central Highlands Council to Mr. Rowlings was for part of a year and the sum claimed should not be compared to the demand for rates for a full year.

## 8.3 The Caravan Park

The Caravan Park at Pump House Point is approximately 2 kilometres in a direct line, from the Flintstone Drive subdivision. The park is owned by the Crown and relies on a septic tank for waste disposal.

It was contended that the system at the Caravan park is inadequate and overflows at popular holiday times thus creating an adverse health and environment situation.

Mr Rowlings had concerns with the Caravan Park and questioned why the public facilities were not connected to the reticulated scheme. His submission questioned-

40 T Berriman, Central Highlands Council, letter to J Rowlings (included with Rowlings submission.)

*“The failure of the Tasmanian Government through the Department of Primary Industries, Water and Environment to insist that the Pump House Bay caravan park/camping ground (effluent disposal system) be required to connect the Flintstone Drive shack owners reticulated system given the extreme environmental sensitivity of the area as stated by the Central Highlands Council’s letter to residents dated 21 August 2001.”<sup>41</sup>*

Many owners were of the view that campers contribute very little to the community and that a connection to the reticulated system and the associated contribution to the maintenance by way of fees would help offset ongoing costs to the residents.

Mr. Gough, whilst agreeing with the requirements for a world class treatment plant in the area questioned the differing environmental standards accepted for the camping areas and the nearby Flintstone Drive subdivision.

The PAC did not receive any evidence as to whether connection to the Flintstone Drive/Dolerite Crescent is feasible or even possible. If it is feasible then the connection is desirable to guarantee environmental standards are never breached. If the connection is made it may reduce the cost of sewerage treatment to the shack owners as well as producing an improved environmental outcome for the Crown.

#### 8.3.1 *The PAC’s Findings*

The standard of the waste management at the nearby caravan park needs to be further considered.

If as contended, the peak season causes an overflow of sewerage from the public sector septic tank system urgent action should be taken.

The PAC will raise this issue with the Department as an adjunct to this inquiry.

## **8.4 Power Requirements**

Mr Hawkes criticised the lack of reticulated power supplies to the vacant lots in Dolerite Crescent as making them less attractive to potential purchasers. Mr Sylvester also made note of the lack of power and drew attention to the following -

*“A number of shack owners in the Dolerite Crescent subdivision have paid monies directly to Aurora for the supply of electricity and as such have created a subdivision within a subdivision. This means that a shack owner in this area does not have to connect if they want to.”<sup>42</sup>*

One of the consequences is that some owners have installed motorised generators and according to Mr Sylvester are polluting the area with fumes and noise. He adds that it is not pleasant having a motor running nearby and questions the project requirements for

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<sup>41</sup> J Rowlings, Submission.

<sup>42</sup> P Sylvester, Submission

environmentally acceptable solutions when this type of pollutant has subsequently been allowed.

The situation has been rectified somewhat with the Minister for Primary Industries, Water and Environment informing the Committee that –

*“approval had been given for the connection of power to eleven of the vacant lots at Dolerite Crescent. This decision was taken after extensive work was undertaken by the lot owners in the bottom (lakeside) third of the subdivision.....The price that was obtained by the lot owners was significantly less than the previous quotes the Government had received for power reticulation.”*<sup>43</sup>

The actions taken by the Department of Primary Industries, Water and Environment to extend the area for power connections should make the previously un-powered sites more attractive to purchasers. The need for one resident to use a private power generation system has also been removed by this action.

8.4.1 *The PAC's Findings*

The matter of power connections has been addressed.

## **8.5 Sealing of Road to Poatina Highway**

At the time the Committee undertook a site inspection several owners told the Committee that there was agreement that the road from Flintstone Drive to the Poatina Highway would be sealed as part of the construction tender.

The Committee sought a response from the department and was informed that -

*“Item 17 of the Schedule of Prices within the Flintstone Drive Subdivision Contract Documents Contract Number 13171/2 shows the specifications for the road from Arthurs Lake Road to the beginning of the Dolerite Crescent as “Widen access road to subdivision”. The tendered sum by the successful tenderer for this item was to the value of \$5,700.*

*No provision or agreement had been made for sealing the road from Arthurs Lake road to the beginning of Dolerite Crescent.”*<sup>44</sup>

The Committee is aware that the road is in a state of disrepair.

8.5.1 *The PAC's Findings*

While it is contended that assurances were given during discussion between shack owners and departmental officers there is no written record of this and therefore no basis for the

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<sup>43</sup> Minister for Primary Industries, Water and Environment, 26 October 2001.

<sup>44</sup> Ibid

PAC to make any recommendation that the road from the subdivision to the Highway be sealed.

There is clear evidence that the road is deteriorating and is in urgent need of repair. The responsibility for this maintenance rests with the Central Highlands Council.

## **8.6 Signs of Deterioration/Defective Road Construction**

In his submission Mr Sylvester raised the subject of the quality of the road construction as well as a number of issues which have been discussed earlier in this report. On the subject of the road construction he said -

*“Flintstone Drive, after only being sealed for a short duration, is showing extreme signs of wear in surface cracking, sinking of the foundation and potholes appearing. It would appear we have been delivered a less than quality product...”*<sup>45</sup>

The Department of Primary Industries, Water and Environment has responded with the following-

*“A 12 month defects liability period applied to all subdivision work following granting of the practical completion certificate by the Contract Superintendent. All known defects were repaired or fixed within the defects liability period or following the final inspections by the Contractor, the Central Highlands Council’s Engineers, the Contract Superintendent and the Crown. These inspections occurred prior to the transfer of the entire infrastructure to the Council soon after the expiry of the defects liability period. If there were any structural issues with regard to road quality the Central Highlands Council would not have accepted the transfer of the road to their control”*<sup>46</sup>

Despite the fact that the work was monitored and inspected prior to handover there appeared to be some deterioration and breakdown of the edges and surface.

### *8.6.1*

### *The PAC’s Findings*

This matter is rightly a matter for dispute between the Central Highland Council and the ratepayers.

Stornoway Gravel Constructions completed the project to the satisfaction of its client and the Central Highlands Council. Responsibility to make good the deterioration that is occurring rests with the Central Highlands Council.

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<sup>45</sup> P Sylvester, Submission

<sup>46</sup> K Evans, Department of Primary Industries, Water and Environment, 12 January 2002.

## 8.7 A Boat Ramp?

In his submission Mr Rowlings questioned -

*“the failure by Department of Primary Industries, Water and Environment and Marine and Safety Tasmania to reach agreement for the utilisation of earth, rock and spoil to create a boat launching facility on the end of Flintstone drive for the usage of shack owners”*<sup>47</sup>

The Committee was told that the geography of the foreshore and the water levels of Arthurs Lake at that point made such a proposal inappropriate.

### 8.7.1 The PAC's Findings

The PAC acknowledges that all things being equal the use of surplus earth, rock and spoil to create a boat ramp seems good sense.

The PAC notes advice that suggests geography of the area combined with the large rise and fall of the lake water level makes the site inappropriate for a boat ramp.

<sup>47</sup> J Rowlings, Submission

## 9 CONCLUSIONS

**1. The development of Flintstone Drive and Dolerite Crescent as an integrated subdivision was in the best interest of the Flintstone Drive shack owners and provided the best possible outcome for the taxpayers of Tasmania.**

**2. The costs associated with the development of the integrated subdivision were fairly assessed and there is no basis to the claims for a partial refund of purchase price by the aggrieved shack owners of Flintstone Drive.**

**3. The protection of the ambient environmental standards of the central highlands shack site areas is of fundamental importance and was addressed by the development.**

**4. The infrastructure of the development was of a standard satisfactory to the client and to the Central Highlands Council. The maintenance now required is the responsibility of the Central Highlands Council.**

**5. There will be a cost to Government of the integrated Flintstone Drive/Dolerite Crescent development but the cost is offset by the social and environmental gains. The PAC is confident that when the Shack Sites Project is completed the cost to Government/taxpayers will be minimal.**

Parliament House  
Hobart  
26 March 2002

A.W. Fletcher  
Chairman

# Evidence

## Flintstone Drive/ Dolerite Crescent

<b>Adrian Hawkes</b>	<b>Letter, dated 12 May 2001 detailing issues re subdivision</b>	<b>1</b>
<b>Adrian Hawkes</b>	<b>Report - 'The Flintstone Drive Report' dated December 2000</b>	<b>2</b>
<b>The Minister for Primary Industries, Water and Environment</b>	<b>Letter, dated 19 July 2001, with report by KPMG 'Review of Adrian Hawkes' Report on Flintstone Drive</b>	<b>3</b>
<b>Adrian Hawkes</b>	<b>Letter, dated 10 April 2001, Secretary, Department of Primary Industries, Water and Environment to Mr Hawkes</b>	<b>4</b>
<b>Adrian Hawkes</b>	<b>Transcript of evidence, 22 August 2001</b>	<b>5</b>
<b>David Gudde, Central Highlands Council</b>	<b>Transcript of evidence, 22 August 2001</b>	<b>6</b>
<b>Adrian Hawkes</b>	<b>Letter and additional comment, re the KPMG Review, dated 5 October 2001</b>	<b>7</b>
<b>Mike Hall</b>	<b>Submission dated 25 October 2001</b>	<b>8</b>
<b>The Minister for Primary Industries, Water and Environment.</b>	<b>Letter, dated 28 October 2001, additional information</b>	<b>9</b>
<b>John Rowlings</b>	<b>Submission and photos dated 30 October 2001</b>	<b>10</b>
<b>Peter Sylvester</b>	<b>Submission dated 31 October 2001</b>	<b>11</b>
<b>Parliamentary Research Service M Fusecu</b>	<b>Report, dated 31 October 2001. 'Flintstone Drive/Dolerite Crescent Subdivision: Issues arising from matters raised by Adrian Hawkes'</b>	<b>12</b>
<b>A Hawkes</b>	<b>Letter and additional information, dated 8 November 2001</b>	<b>13</b>
<b>P Gough</b>	<b>Submission Received 13 November 2001</b>	<b>14</b>
<b>A Murray</b>	<b>Submission Received 21 November 2001</b>	<b>15</b>
<b>A Hawkes</b>	<b>Submission dated 3 December 2001</b>	<b>16</b>
<b>S Marston</b>	<b>Letter, dated 6 December 2001 re chronology of consultations and actions of Department</b>	<b>17</b>
<b>K Evans</b>	<b>Letter, dated 10 January 2002, Secretary, Department of Primary Industries, Water and Environment</b>	<b>18</b>

