

# UNCORRECTED PROOF ISSUE

**Thursday 8 June 2017 - Estimates Committee B (Barnett)**

## LEGISLATIVE COUNCIL

### ESTIMATES COMMITTEE B

**Thursday 8 June 2017**

#### MEMBERS

Ms Armitage  
Mr Dean  
Mr Finch  
Ms Lovell  
Ms Rattray (Chair)  
Mr Willie (Deputy Chair)

#### IN ATTENDANCE

**Hon. Guy Barnett MP**, Minister for Resources, Minister for Building and Construction, Acting Minister for Corrections

#### Ministerial Office

**Jim Dunham**, Acting Chief of Staff  
**Lorraine Anderson**, Adviser, Building and Construction  
**Matthew Hochman**, Adviser, Work safe and Consumer Affairs  
**Sean Hollick**, Adviser, Corrections

#### Building and Construction

**Simon Overland**, Secretary, Department of Justice  
**Nick Evans**, Deputy Secretary, Department of Justice  
**Kerrie Crowder**, Acting Deputy Secretary, Department of Justice  
**Stephen Morrison**, Director Finance, Department of Justice  
**Julia Hickey**, Manager, Office of the Secretary, Department of Justice  
**Jennifer Lee**, Director Communications and Executive Support, Department of Justice  
**Mark Cocker**, Acting General Manager, WorkSafe Tasmania, Department of Justice  
**Dale Webster**, Director Consumer Building and Occupational Services, Department of Justice  
**Andrew Cooper**, Registrar, Workers Rehabilitation and Compensation Tribunal, Department of Justice  
**Ross Thomas**, Deputy Registrar, Workers Rehabilitation and Compensation Tribunal, Department of Justice

## Corrections

**Simon Overland**, Secretary, Department of Justice  
**Nick Evans**, Deputy Secretary, Department of Justice  
**Kerrie Crowder**, Acting Deputy Secretary, Department of Justice  
**Stephen Morrison**, Director Finance, Department of Justice  
**Julia Hickey**, Manager, Office of the Secretary, Department of Justice  
**Jennifer Lee**, Director Communications and Executive Support, Department of Justice  
**Brian Edwards**, Director of Prisons, Tasmania Prison Service, Department of Justice  
**Ian Thomas**, Director of Prisons Designate, Tasmania Prison Service, Department of Justice  
**Neale Buchanan**, Director, Community Corrections, Department of Justice  
**Emma Gunn**, Principal Policy Officer, Strategic Legislation and Policy, Department of Justice

## Mining and Forestry

**Kim Evans**, Secretary  
**Bob Rutherford**, Deputy Secretary Industry & Business Development  
**Amanda Russell**, Deputy Secretary Business Services  
**Brett Stewart**, Director of Mines, Mineral Resources Tasmania  
**Penny Wells**, Director Resources Policy  
**Glen Dean**, Director Finance

**Jeff Battersby**, A/g Chief Executive Officer, Private Forests Tasmania  
**Peter Volker**, Chief Forest Practices Officer, Forest Practices Authority

### **The committee met at 9.00 a.m.**

**CHAIR (Ms Rattray)** - Minister, I welcome you and your team. I will ask you to provide the committee with an opening statement.

**Mr BARNETT** - Thank you for the opportunity to present today. I will introduce the members of the department here today: Bob Rutherford, Penny Wells and Brett Stewart from Mineral Resources Tasmania. Thank you to them and their teams for the support they have provided to me and my office.

I am very pleased to have the Resources portfolio as a responsibility. There is no greater and more consistent supporter of the Tasmanian resources sector than the Hodgman Liberal Government, and for a good reason. The sector supports 5600 direct jobs across the state alongside many indirect jobs and flow-on benefits. These jobs are particularly focused in regional Tasmania and often the economic backbone of those rural communities. The sector is a vital driver of our economy, creating opportunities and will continue to do so in the future. We have backed the sector in this Budget and will continue to back it.

The strong resurgence in forestry is on the up. Production and employment in forestry continues and is reflected in the consistent increase in the value of log harvest since 2012-13. Under the Hodgman Liberal Government there has been a massive increase in harvesting activity, particularly on private land. I recognise Private Forests Tasmania's Jeff Battersby here today as well. If there are any questions in that space, please feel free to ask him in that regard. Backing the private forest sector is a key part of the industry growth plan and the Budget, as you may have noticed, includes a \$4 million investment to support this growth plan and to support the industry.

Yesterday I was pleased to launch another very significant milestone, an Australian first, Tasmania's wood encouragement policy. I am very excited about that and happy to answer any further questions about it. It was referred to in last year's Budget and a lot of work has been put into that wood encouragement policy and it has now been launched. The wood and wood products should be a competitive advantage for Tasmania. We grow trees and we grow them well, and it is a real opportunity for us in Tasmania.

In terms of the \$4 million over four years, as I have indicated, \$2 million comes from the Tasmanian Forests Intergovernmental Agreement, and \$2 million from the Budget directly. The funding is additional to our continuing support of existing projects. The growth strategy and the growth plan is to double the industry value-adding to \$1.2 billion by 2036. The Government is backing that plan to grow the industry and to back the ministerial advisory council supported growth plan.

We also continue our negotiations with the Commonwealth towards a new Regional Forest Agreement that provides a framework for managing Tasmania's forests to deliver environmental, social and economic outcomes.

While there have been massive and many positive developments in forestry in recent years, it is a fact that the industry remains heavily constrained, unfortunately, by the previous forest lock-ups which occurred under the previous government. Members of the committee are aware that the government has a clear direction to reverse those lock-ups to ensure the industry can grow and all participants including potential future participants have access to the timber they need to employ people and create new jobs.

Mining and mineral processing are key pillars of the Tasmanian economy: 50 per cent of our exports, a \$1.95 billion industry per year and 2 000 people or more employed in that sector across the state.

There has been a surge of good news in the mining sector recently, in the past many months in particular, with the restart of mining projects such as Henty, sales of stockpiled ores and activity on new projects are signs that the sector is emerging from the global downturn that affected it in recent years.

Income from mining royalties has increased substantially and you may have heard yesterday the very good news that in the last 12 months our mining royalties are expected to hit \$40 million for the year. That is more than double what it was last year, which was \$15 million. That is positive news about royalties, which is an indicator of strength and growth in the sector.

We have delivered a range of initiatives to support the growth of the mining industry. This Budget includes an additional \$1 million investment over the forward Estimates to a new mining sector innovation program, which continues and is on the back of our Mineral Exploration Investment Attraction Plan, a \$1.4 million Geoscience Initiative program and the Mt Lyell mine support package to bring forward the decision to reopen the mine, which will create an estimated 50 to 60 new jobs on the west coast, specifically at Queenstown and it is backed in with \$9.5 million to bring that decision forward. We look forward to further positive news about Mt Lyell in the near future.

In conclusion, mining is an important part of our heritage, it is an important part of our economy today and we are confident it has a bright future.

**CHAIR** - Thank you very much. I acknowledge that the other member of the committee is normally the honourable member for Elwick, Mr Josh Willie. He has a family commitment today so he is unable to be with us but sends his apologies, minister.

**Mr DEAN** - I raise the issue that I did earlier to point out - and this is no attack on you, minister or your staff - but it has to be an embarrassing process that we currently go through of you appearing yesterday. The speech you made there is almost exactly the same as the one you made yesterday. I see this as embarrassing. We will be asking you very similar questions because we talk to the similar people out there who provide questions as well, so I apologise for what is going to happen and to your staff as well. It is an utter waste of time. I just wanted to raise that.

**CHAIR** - In light of the comments Mr Dean has made, minister, I believe it is appropriate that all members of parliament have some consideration of the matter that was raised and we have a look at how we might better progress this process into the future. If people around this table feel like it is a waste of time, imagine what is being thought outside of this place. We need to take stock of that.

Minister, can I take you to your hat of mineral resources and we will start with 4.2 Mineral resources. It is a little bit different than what we have on our list, but we will work our way back up to that.

## **Output group 4**

Resources policy and regulatory services

### **4.2 Mineral resources -**

**CHAIR** - My question is around the royalties, which have increased from \$15 million to \$40 million in this financial year. But then, the Government has given a funding grant of \$9.5 million over two years to Copper Mines of Tasmania. Is that a grant to be repaid?

**Mr BARNETT** - No.

**CHAIR** - It is an outright grant, it is not a loan in any way. The \$40 million has effectively been reduced to \$30 million in one fell swoop, hasn't it? The royalties have come back if we are giving them almost \$10 million. Why that quantum of money to the mineral industry?

**Mr BARNETT** - Absolutely, let me try to explain that. Firstly, with respect to royalties, yes, on the royalties figures you are right, it was \$15 million last year. Going forward, we are expecting \$41.1 million for this financial year. In short, that is very much a positive. As of today, \$39.7 million has been collected so far this financial year. By the end of 30 June it is expected it will be \$41.1 million. You can see there is a very significant increase in that. Ninety-three per cent of the state's royalty revenues come from three major producers: MMG, Grange Resources and Bluestone Mines Tasmania Joint Venture. I can give you more detail about that if you are interested. With respect to the \$9.5 million, you are absolutely correct, that is a payment over the next -

**CHAIR** - Two years?

**Mr BARNETT** - Yes, that is right. That is an absolute payment. That payment was made to Copper Mines of Tasmania - CMT - to bring forward the decision to restart the mine. It is expected that will deliver 50 to 60 jobs during that period of time. I can give an update specifically with respect to CMT and exactly what has happened, but it is very encouraging news. There are four parts to the \$9.5 million: \$4.5 million is for the decline refurbishment, \$1.5 million is for the North Lyell tunnel, \$2 million is for the water supply pipeline and \$1.5 million is for the crushing mill and an upgrading of that. That is a breakdown of the \$9.5 million which is in the Budget. The company has said that they really appreciate it. That will employ those extra people. CMT have advised me yesterday that they are starting work on the decline. It will be operating 24 hours a day, seven days a week to rehabilitate that main decline. In addition, they will appoint a contractor, Webb Mining Services from Mangana in the Fingal Valley, to complete the repair and rehabilitation of the North Lyell tunnel, which will be employing eight people. Up to 30 jobs will be involved in the decline.

In addition, to explain, we also have a \$25 million incentive package to encourage CMT to restart. That is a \$25 million royalties and payroll tax relief. Once they start, there is an agreement between the Government and CMT, and over that period they get a royalty relief and payroll tax relief. We do not receive the money, they keep those funds in their pocket. That is an incentive for them to get restarted. Remembering that CMT have employed 300 people in Queenstown, it is vital to that town and the west coast. The feedback from the west communities, is they are really appreciative of the initiatives by the Government to provide the payroll tax relief and royalty relief of \$25 million, and the \$9.5 million to bring forward the decision to restart the mine. The thinking behind it is to get the mine back on track and get it restarted. They have been in care and maintenance, the company has spent a \$100 million in care and maintenance. That is an indicator to us and the whole world that they are keen to restart if at all possible. Why would you spend that much money in care and maintenance employing 30 to 40 people all year round to keep the mine going? They want to restart but they need to be confident that it will be a profitable and sustainable mine.

I hope that summarises it but I am more than happy provide more detail.

**CHAIR** - Effectively it is a \$35 million concession - we are handing out funds and then foregoing funds. What is the estimated value of the project to restart if the Government is prepared to forego and outlay that amount of money?

**Mr BARNETT** - I can give you more detail on that. They would create 300 jobs directly and 750 jobs indirectly. I will check if you have the turnover figures there, Brett.

**Mr STEWART** - I do not have them on me.

**CHAIR** - It would have to be a very good business plan, I expect, to be able to generate that sort of support.

**Mr BARNETT** - The mine has been going for 100 years, it is one of the oldest mines in Australia. For the last three years it has been closed and in care and maintenance. The resources are there, they have plans to continue well into the future employing those 300 people and hopefully more. Do you have actual turnover figures on the resource?

**Mr STEWART** - Yes.

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**Mr BARNETT** - This is the point. CMT is investing heavily in the future, they have spent \$100 million keeping the mine in care and maintenance, and are looking to committing a further \$80 million to \$100 million to future new works to facilitate a potential restart. That would be the commitment from the company to commence the restart. That is a lot of money to commence the restart and then it is an ongoing operation after that.

**CHAIR** - Once they get going, they will have a product to put into the market. I am not completely au fait with the mineral crisis at this time. Is there a projected market for copper?

**Mr BARNETT** - I can indicate that the price has been down over the last couple of years, and it is on the up. Last time there was about \$5650 going up towards the \$6000 mark but it is about steady at about \$5600, \$5700.

**Mr STEWART** - It has been in the \$5000 to \$5800 range over the last couple of years. The demand for copper is pretty steady worldwide. You have large countries developing still with the need for wire and hot water so the demand for copper is positive. The price needs to be sustained around that \$6000 level for CMT to be sustainable so it is getting there, it is quite close. Hopefully in the very near future they are going to make a positive decision.

**CHAIR** - We have not actually delivered that money; there will have to be a definite from CMT before the \$9 million or initially the \$6 million is handed over.

**Mr BARNETT** - No. The \$9.5 million is over two years but we are spending that now as we speak, on behalf of the taxpayers, to bring forward the decision to restart the mine.

**CHAIR** - What happens if it does not restart?

**Mr BARNETT** - That would be most unfortunate and disappointing indeed.

**CHAIR** - That would be \$6 million down the drain.

**Mr BARNETT** - When you say \$6 million, that is \$9.5 million.

**CHAIR** - But initially it is \$6 million.

**Mr BARNETT** - Yes, that is right. It is bringing forward the decision to restart. The company has already spent a \$100 million in care and maintenance, they want to restart but they need to be confident that the price signals are right for copper and everything else in their decision-making to make a profitable go of it. We are bringing forward that decision to restart and we feel hopeful. We are feeling confident, the company is too, based on the feedback we have from CMT so the work is being undertaken. You are right in terms of the \$9.5 million, it is in the Budget, it is planned to be spent and we hope it will be spent and spent very wisely to bring forward that decision.

In terms of the \$25 million package -

**CHAIR** - That is only if they get started.

**Mr BARNETT** - That is only if it gets started and it is not money we are losing, it is money that is being foregone.

**CHAIR** - Foregone revenue.

**Mr BARNETT** - Yes.

**CHAIR** - To restate that point, if CMT does not get off the ground, we have still effectively lost \$6 million.

**Mr BARNETT** - Yes. I will hand over to Mr Rutherford.

**Mr RUTHERFORD** - I led the team that went over to deal with the mine. We made a site visit which reminded me of some of the big issues we face there. Should the mine not reopen, the contingent liability on the state from the environmental legacy issues is enormous - hundreds of millions of dollars. You will recall, and I know members here will know, that the legislation absolved the company of the legacy environmental issues. They come to the state. There are major problems with what would occur as the water level rose in the mine and unfortunately we talked extensively to the EPA. We do not actually know what would happen because the hydrology of the mine is incredibly complex and we do not know where acid seeps might come out in the Queenstown area. The best way of dealing with that problem is, while the mine is operating it controls that environmental issue and all the time there has been considerable improvement in that. That level of liability has been going down. Really, we need that mine to operate for a considerable period.

That is on the environmental liability side. Some of this expenditure we would have to do anyway - the state would have to do the North Lyell tunnel if the mine closed.

**Mr BARNETT** - Can I just add to what Mr Rutherford was saying to make it very clear. Of the \$9.5 million, some of those funds will be required anyway, even if it closed, for rehabilitation purposes. Mr Rutherford made a very important point. A working mine is the best way to preserve, protect and support our environment as well as the economy. The funds create 50 to 60 jobs and help deal with, at least in part, the environmental legacy vis-a-vis the North Lyell tunnel in particular.

**CHAIR** - Is the CMT operation the only mining operation that this state has that liability for the environmental aspect of it? My understanding was that there was always a bond put forward by the company, and then that is used when and if the company no longer mines that site and it has to undergo some rehabilitation. Is that the case, Minister?

**Mr BARNETT** - The answer, in terms of your understanding of the bond situation, yes, that does occur, but legislation was passed through both Houses of this parliament many years ago which absolved the company at Queenstown, the copper mine, from the environmental legacy which is very significant indeed.

I might pass to Mr Stewart to expand.

**CHAIR** - Are there any other mining ventures on the north-west coast or west coast that have the same allowances that CMT does?

**Mr STEWART** - There are two in the state, one is Copper Mines of Tasmania, which is absolved of -

**CHAIR** - All responsibility?

**Mr STEWART** - Not all responsibility. They are absolved of responsibility that was imparted at the site before 1995 when the legislation was passed. They still have responsibility for their workings since then and we do hold a bond to cover, for instance, the tailings dam that they currently are responsible for.

The other site is the Savage River mine operated by Grange Resources, which is also dealt with under a piece of legislation. The difference with that legislation is that the liability that the state took on as part of that legislation is managed via the Savage River Rehabilitation Program. This is a joint Government company arrangement whereby at the time the legislation was passed, the Government and the company seeded that project with money, which is used on an ongoing basis to deal with that rehabilitation legacy.

That program has been really successful in dealing with legacies of the site, and the company still remains responsible for post-legislation responsibility. There is two in the state, both dealt with a little differently. Savage River certainly are in a better situation than (?)

**CHAIR** - We do not seem to hear much community outcry about what happens when we mine, and forestry operations are a different kettle of fish.

**Mr BARNETT** - I wonder if Brett could mention about the royalties from CMT because in the past ,they have been very significant in terms of the benefit to the state Government. In terms of the future operations of CMT, the benefits to the state Government and Tasmania will be not just the employment from the mine operating, but the forward royalties.

**CHAIR** - That will all depend on the price of copper -

**Mr BARNETT** - That is right.

**CHAIR** - And what they get out of the mine -

**Mr STEWART** - That is correct.

**CHAIR** - There is a lot of unknowns there.

**Mr STEWART** - There is, but the way the royalty scheme is set up is there is a minimum amount paid, at 1.9 per cent, and depending on -

**CHAIR** - Sorry, what?

**Mr STEWART** - 1.9 per cent. Then depending on profit, that could go up to 5 per cent. The importance of the CMT operations to the state historically over the last probably 15 to 20 years prior to them closing, averaged royalty payments around the \$10 million per annum mark. They were a significant contributor to the Tasmanian royalty. If they restart, that will be delayed whilst the \$25 million assistance is absorbed. Post that, they will be paying royalty as they have been.

**CHAIR** - Does the \$25 million that is foregone on payroll for the company when they get started and -



**Mr BARNETT** - Payroll and royalties.

**CHAIR** - And royalties -

**Mr BARNETT** - Foregone, yes.

**CHAIR** - Is that added onto their profit? Do they pay royalties with that \$25 million included or not? How does that work for tax purposes? Because it is foregone revenue for the state, but obviously the company will have to put it onto their finances. Do we then get the royalties on that extra \$25 million, if it is 1.9 per cent of their profit?

**Mr RUTHERFORD** - That is a complex question.

**CHAIR** - That is why I thought you might be able to answer it.

**Mr RUTHERFORD** - I am going to have a go. Essentially to the extent they make profits, which they are not expecting in that early start-up period - obviously because they are spending a large amount of money. We need to keep in proportion the assistance will be massively dwarfed by how much money they have got to put into that mine to get it going. If they commit, and I nearly said 'when' because

**CHAIR** - I was going to say you got on my train then with 'when'.

**Mr RUTHERFORD** - I am quietly confident when they recommence they will have to do some technologically difficult things. They are aiming to close the shaft completely. They will streamline the operation. They will use the decline to move material to the surface much more efficiently, and the mining in the future is going to be remote mining. It is not because of the issues we had over the unfortunate incident that occurred and just the dangers of the mine. They are also going to have to invest heavily in exploration and development, because they have two highly prospective deposits they intend to move to. Brett will know more about the geology, but they will be putting a lot of money into the long-term future of that mine. That is really the prize for the Tasmanian community.

**CHAIR** - My question is really a bit premature.

**Mr RUTHERFORD** - I think so. There is an important thing, that whenever we do these kind of arrangements we protect the state in the legal detail against the possibility of it being massively profitable while we are paying them money. That protection is built into the detail so it cuts out were that to occur.

**CHAIR** - It is always interesting. The minerals just fly under the radar. That probably suits Brett quite nicely.

**Mr RUTHERFORD** - When you visit the mine, and I have not done a full type visit for 10 years, you see those legacy issues and they are dramatic. The waste heap from the 30s from North Lyell is enormous. Just the 1930s contingent liability sitting there, you can see it and it is massive. That is the sort of thing we really need to chip away at. On the social side, just staying in the motel. You stay in the motel, you talk to the owner. He bought it just before the mine closed. He had a staff of over 20, he was down to four. That is a real impact. They are the sort of things that mine, when it is running, is transformative in that community.

**CHAIR** - Thank you. I am pleased we got to explore that particular issue. I want to ask about the geoscience initiative, of \$350 000 in this year's Budget. That obviously supports the Core Library. Most of us, perhaps not the newest member, perhaps not even Ms Armitage, we have been to see the core library. It was quite fascinating for someone who did not take much notice of geology at school. Can I have some overview or clarification around that and what that will do for potential mining prospects in the future?

**Mr BARNETT** - Yes, it is a good question and we are very pleased with this initiative of \$1.4 million over the four years. It will basically support would be future potential mining companies and interest in looking at Tasmania, providing background information and data on mining prospects in Tasmania. In terms of what that does do, it reduces the risk, attracts additional investment in Tasmania and provides that information. It provides the maps. The product from the work will assist mineral explorers to encourage mineral exploration in the region.

One of the projects is continuing to develop a 3D geoscience model of the geology for parts of Tasmania and west, north-west Tasmania in particular. I have seen that particular innovative modelling at the library and also across at the university. MRT, the university and the Tasmanian Minerals and Energy Council, all working together. This is really good when you have the key stakeholders working together.

That is a short overview. I am happy to provide more detail. Maybe Brett might want to add to assist in answering that question in terms of geoscience.

**Mr STEWART** - We actually have two initiatives, the geoscience initiative began last year, which is over four years. The primary focus is to gather new pre-competitive geoscientific data. Our data set is well regarded, but we are very mindful to remain competitive in a global market to attract investment, we have to keep updating. We have to keep looking at new data sets and new ways to interpret that data so the initiative is primarily focussed on that. There is interaction with the initiative as much of the data we collect physically is then interpreted and analysed through the Core Library.

The minister mentioned the new innovation initiative which is going to be done jointly with the ARC Centre of Excellence in Ore Deposits at the university and the Tasmanian Minerals and Energy Council focussing on four key project areas in the innovation space. Some of that will have influence on our geoscience data. But there is also focus on remediation techniques, acid mine drainage, which is obviously welded given our previous discussion and landslips with a key theme across those projects of innovation.

**CHAIR** - How are we going? Are our questions any different than yesterday?

**Mr BARNETT** - They are more detailed, but frankly very sensible questions and very understandable.

**Mr FINCH** - We can change that.

**CHAIR** - That is why I am about to hand over to Mr Finch and I want an assessment after this, so thank you, Mr Finch.

## 4.2 Mineral Resources

**Mr FINCH** - Chair we seem to have gone to mineral resources.

**CHAIR** - Because that is what it says on our agenda between nine and 10 we have mineral resources.

**Mr FINCH** - Thanks very much and I have a different layout here.

**CHAIR** - See how you go.

**Mr FINCH** - A lot of this support from companies is predicated on this \$100 million. The company has spent on care and maintenance. I would like some idea of where you would spent \$100 million on care and maintenance since 2014. That sounds like an employment creator in itself, spending \$100 million. Do you have any idea minister where that money has been expended?

**Mr BARNETT** - Yes, I can provide some answers and I will also pass to Brett. There are still 30 to 40 people working at the mine. We have talked about environmental legacy and if sadly, if they pulled out altogether which was an option in 2014. So they could have pulled out, but they decided to stay in and the environmental legacy and protecting the downside because as soon as you pull out the water seeps into the mine and it will have catastrophic impact. Any restart of the mine is or reopening of the mine would be massively more expensive. By continuing the care and maintenance, it reduces the cost of a restart.

I want to use the words carefully. Restart, not reopen so restart. So the mine has not closed, they just want to restart. It has never closed. It is still operating in care and maintenance. So 30 to 40 people a year and I will ask Brett to add to that since 2014 and the significance of that investment. It is a really good point. It is a good question.

Let me say it was a very serious option they would have thought about very carefully and they could have gone out of there and then spent \$100 million or whatever else, elsewhere in the world. It is an international company with Anders based in India. They have lines across and investments across the globe including South Africa.

Deshni Naidoo who is based in South Africa has been to Tasmania. I met with her on a previous visit. She is coming back at the end of August for the Women in Resources National Awards based in Launceston and it will be really good to see her again.

**Mr STEWART** - There is a couple of key elements to the significant expenditure. The first one is dewatering the mine. In order to keep the mine viable for restart the company has had to keep the mine dry. Kept the pumps going.

There was a significant issue last year when we had record rainfalls whereby the mine suffered extreme inundation. The current manager indicated at one point they were replacing a pump once a week and these are significant pumps costing tens of thousands of dollars, just to keep the mine to a point where it could restart. I would assume that would be a significant proportion of the \$100 million along with the cost of employing 30 to 40 people.

Another really key project, particularly for the Government in terms of what the company has done during care and maintenance, is to do a major tailing stand lift. The tailing stand, when they went onto care and maintenance, was nearing full capacity. This posed a problem should they make

a decision to close because it would mean the tailings deposited could not be fully covered with water, which is a closure requirement of the EPA. The company spent approximately \$5 million doing that dam lift, which means not only now do they have further capacity if they restart. It also means, should the worst happen and the mine not restart the closure requirement, which is really important and the EPA has identified as one of the more important aspects, has been met.

**CHAIR** - How was that answered?

**Mr FINCH** - You know, \$100 million but they are not obligated to give us a breakdown of where they are spending the money and where it has been utilised. We are sort of predicating the support for the company on the fact they suggest that they have spent \$100 million and that makes them look as if they are positive for a restart and that is why they are drawing the support. \$100 million, a big figure but if we do not have indication as to where it is spent.

**Mr RUTHERFORD** - When the first event occurred-

**Mr FINCH** - You mean 2014?

**Mr RUTHERFORD** - The fall that blocked the vent rise. I found it utterly remarkable and I am happy to put this on the record they kept that work force on for a considerable period. They kept them on half pay. They put an enormous effort into

**Mr FINCH** - The 300 people?

**Mr RUTHERFORD** - Yes, they kept them on half pay. They put an enormous effort into trying to hold everything together while they explored everything.

**Mr BARNETT** - So they were still paid on the payroll though they effectively shut.

**Mr RUTHERFORD** - I think it was six months.

**Mr STEWART** - The full work force of near 300 was kept on for six months on half pay.

**Mr FINCH** - So that would go into that figure of \$100 million?

**Mr RUTHERFORD** - It is the biggest act of corporate citizenship I have ever seen in the State of Tasmania.

**CHAIR** - Big call. Thank you, we have spent a lot of time on CNT. Mr Dean had question.

**Mr DEAN** - Yes just about the bauxite mine at Campbell Town. Where are we with that, Minister?

**Mr BARNETT** - Yes it is at Campbell Town and I was there at the opening by my former minister, Paul Harris. You can see bits of it as you are driving the highway, the dark brown hills there. An update on that, this is ABX TAS proprietary member to ABX. They have the open cut bauxite mine at Bald Hill in Campbell Town along with eight exploration licences in the central north and north east, into the Fingal Valley. There is currently no extraction at Bald Hill and so the mine remains in care and maintenance. They have done some research development programs to identify alternative markets. They have a surplus of product in the international market in 2016 -

37 000 tonnes of stockpile bauxite was sold. The company is in a strong position to build on domestic sales to both cement and fertiliser grade bauxite. So that is for a different purpose. They are still pursuing a market for that. They have entered into an initial five year partnership with Indian based beneficiation and export company 'Raw Min Mining', an industry company. On the 31 May 2017, ABX reported it had begun talks with potential buyers in the aluminium industry, following a strengthening in prices. I can advise to date, the company spent in excess of \$4.1 million on exploration works across its Tasmanian tenements and it is positioning itself to capitalise on the metallurgical market once conditions improve.

**Mr DEAN** - I can remember raising this with the previous minister, Paul Harriss, the fact it was suggested that there were no real markets for it at the time and because of the quality of the product. There were question marks about that. It would seem they are in that same position now, they cannot get a good, permanent market for it. What is the prospect of that then? Are they are still out there trying to get it? You wonder why that is permitted, without having a firm market in place.

**Mr BARNETT** - I would like Mr Stewart to answer the answer, and pass back to Mr Stewart to provide more information.

**Mr STEWART** - Certainly, minister, and I remember your previous question on that last year. Things have moved since then. The company was experiencing some problems to get the beneficiation of the product to a standard. They have put significant work into some research and development and got some new equipment, which has enabled them to meet a high standard. The quality of the product the company has reported is not an issue. The issue with market is initially from Malaysia, and then from Guinea in West Africa, there was a saturation of product coming into the world market. Reports were some of that material was not necessarily being mined legally. That has had an impact on the metallurgical market. The company then looked at other potential markets, and why they have successfully been able to sell some material into the fertiliser and cement grade market. The company has done everything they can to try and maximise their market opportunity. They are still very positive. They are exploring at Conara on their other exploration license and are quite close to developing that second site.

**Mr DEAN** - For bauxite?

**Mr STEWART** - Yes.

**Mr DEAN** - Why would they want to develop a second site when they have do not have the first site operating efficiently with markets and so on. Are they confident of getting a good market for it? They can compete?

**Mr STEWART** - My summary would be they already have a reasonable market in the fertiliser and concrete grade. Their material will met metallurgical standards and when that metallurgical price recovers, which projections are that it will, they will be very well placed to supply into that market.

**Mr DEAN** - What is the employment numbers at Campbell Town at the present time?

**Mr BARNETT** - Nil. It is in care and maintenance so it is very low, there is very little activity there. They do have people in care and maintenance but in terms of the exact numbers, I do not know.

**Mr STEWART** - They have shipped and stockpiled material, so there has been some activity in recent months. The employment levels would certainly be under 10.

**Mr DEAN** - And that is through Bell Bay?

**Mr STEWART** - Yes.

**Mr DEAN** - Is there any stockpile at Bell Bay at the present time? Is that where it is stockpiled?

**Mr STEWART** - The stockpiled material was at Campbell Town at the mine, and it has actually been shipped from Bell Bay.

**CHAIR** - From forestry?

**Mr DEAN** - No, that is on the mining.

**CHAIR** - We have forestry to fit in.

**Mr DEAN** - A couple of quick questions. You have probably covered it anyway.

You talked about any new mining propositions throughout the state in the future? Anything new coming up?

**CHAIR** - As brief as possible, minister, we have got a bit excited on mining and we cannot leave forestry to no minutes.

**Mr BARNETT** - There is some good news to report on a few things. The Henty Gold, they have put on an extra 100 people since they reopened. I was there just north of Queenstown, for the pouring of the ingot with the Premier some months ago. A significant increase in the royalties, the granting of a mining lease to Stella Resources just near Zeehan, that is encouraging. That is for the Heemskirk tin project which could eventually see a mine employing up to 180 people in the region. Positive news from Renison Tin Mine regarding the feasibility of the rin(?) tails tailing project and could see a capital investment of over \$200 million and the employment of up to 160 staff.

Changes in the global market commodity prices that has enabled stock pile ore coming from both Nelson Bay River Mine and I have mentioned Bald Hill minet. The increasing in commodity prices has helped in the last 12 months, it was down and now it is lifting. Across the board if you talk to the industry players you will see a sense of hope and confidence, so it is lifting.

**Mr FINCH** - I am curious about moving mineral resources of Tasmania to Burnie. I want to check that has been completed and operating satisfactorily. One curiosity I have in respect to resignations or redundancies that might have occurred involving Hobart staff, can I have a rundown on that please?

**Mr BARNETT** - It is all going in accordance with the plan, it is a four stage plan. Stages one and two of the relocation have been completed and part way through stage 3. In short, 10 staff are now located in the Burnie office in addition to the office of the Director of Mines. Stage 3 is the relocation and is up to five further positions will be located in Burnie over the next 12 months. So a quick summary in terms of the move.

It is envisaged further positions will be relocated as the business requirements allow beyond that period. A full functional restructure is taking place within all MRT functions not related to the Core Library, to be relocated to Burnie. That is a decision we made, backed by the industry. The Minerals And Energy Council back it to the hilt. We are very thankful for that because that is the base of the mine and mineral processing sector based up there.

Stage 4, just to conclude and then I will ask Brett to sum up on the redundancies. Stage 4 is in the early stages of implementation and fully funded in the Budget. Stage 4 involves the consolidation of all the Core Library related functions located at the current Rosny office to the Core Library site. It is important to reiterate no staff have been forced to move to Burnie. Existing staff occupying positions identified to be moved to Burnie given the opportunity to move or be found alternate positions within the department at a suitable location and flexible working arrangements made available.

The cost of the location to date is \$670 000 and a further \$2.7 million is to spent in the 2017-18 year in order to complete the relocation. The money will fund office refurbishment and expansion in Burnie along with the critical ICT development, which is important for the entity. It will also fund the consolidation of the Core Library related functions to the Core Library at Mornington. This will result in recurrent annual savings in rent and office costs at Rosny of some \$600 000 per annum. We have got the balance to be sustainable. Is there anything else you wanted to add?

**Mr STEWART** - On the redundancies I am pleased to say we have not had any redundancies at all as a result of the relocation. The staff that were in positions shifted to Burnie were found positions in other departments. We are very pleased that they have been able to further their careers and contribute to the state service. We have had no redundancies as a result.

**Mr FINCH** - I am curious about the expertise that might be remaining in Hobart and how we will recruit people for that new office, the north-west office. Do you need to look interstate to pull on the expertise needed to do the same jobs?

**Mr BARNETT** - Perhaps if I can just - and then pass to Brett - the plan is going in accordance with how we want it. There was a suggestion by the former Leader of the Opposition there were not enough qualified people on the northwest coast and people were not able to do the job from the northwest coast.

The fact is, we have done what we wanted to do. There are no redundancies. They are, as Brett says, within the state service. We have got those positions filled. We want to fill more positions. Burnie is the hub for mining and mineral processing in terms of the industry and being part of where they are. We think it is a good decision.

**CHAIR** - The question was about the expertise.

**Mr BARNETT** - Yes.

**Mr STEWART** - The expertise that will remain in Hobart will be in respect to the functions that remain at the Core Library. We will have analytical staff and geologists and some support staff who run our databases et cetera. The question around expertise -

**Mr DEAN** - Why can they not get all that in Burnie?

**Mr STEWART** - Because the core library is -

**CHAIR** - The core library is here.

**Mr STEWART** - The Core Library is at Mornington and is not moving as part of the relocation. It is important to note the Core Library is a very useful resource for the university, CODES and other members of the public. It has been decided it will remain in Hobart. It would be very costly to move it.

South Australia has just built a new one at \$38 million. In terms of recruitment into Burnie, we have been exceptionally pleased with the recruits we have been able to attract. We have attracted local people, geologists with 20-plus years experience, mines inspectors who are actually coming out of industry. We have also attracted staff from the mainland who have decided to move to the northwest coast, and from Hobart. We have got a real mixture, people who want to live on the northwest coast and who have got a significant career opportunity and who are contributing valuably.

**Mr FINCH** - Just a final question, minister. The numbers - leaving the Core Library to one side, the numbers employed in Hobart compared to the numbers will be employed when the Burnie office is fully operational. I want to get some comparison. Do we lose jobs? With change of operation does it mean some jobs are not required to move to Burnie or no longer required for the future operation of Mineral Resources Tasmania? Some understanding of that, please.

**Mr STEWART** - It is a really good point. We have actually taken the opportunity with this major transition to do a full restructure and to change our structural system to enable us to be better placed for a geo survey into the future. We have looked at other jurisdictions and so forth with that. What that has enabled us to do is maintain a similar level of staffing. We have actually got slightly higher staffing at the moment, while we transition because some staff in the south have remained in positions so they can assist with the transition. We are not losing efficiencies and dropping our level of service delivery to the industry.

I would expect our final staffing numbers will be very similar to what they were prior to the relocation. We will have a number of staff located at Mornington at the Core Library who are critical to the functions that happen at the Core Library. All other functions will be in Burnie, and I would expect the split to probably be around about half, half.

We need to continually review that function as we are going and make adjustments. As people leave or retire, we may have an opportunity to move position into Burnie. We may require additional analytical positions at the Core Library. There is a number of different things that might happen.

**Mr FINCH** - Can I have the numbers please, minister?

**CHAIR** - The numbers at MRT.

**Mr FINCH** - Who are employed in Hobart now, who are employed at the Core Library, who are in Burnie, and what the projected number will be when the changeover is completed.



**Mr BARNETT** - Can we take that on notice?

**Mr FINCH** - Yes, please, sure.

**Mr STEWART** - I have those numbers.

**CHAIR** - Thank you.

**Mr STEWART** - The situation now is we have 10 staff in Burnie, nine staff who operate statewide, so they operate in Burnie and in Hobart and are mobile, and we have 25 staff in Hobart. That includes 5 staff at the core library and about 20 at Rosny. We would expect that in Burnie we will have somewhere between 15 and 20 and a similar number at the core library in the future.

**CHAIR** - Thank you. We will move now to Forestry policy and reform. I know at the end of this session we will say we spent too much time on minerals.

#### **4.1 Forestry policy and reform -**

**CHAIR** - Minister, obviously forestry policy and reform this is an important area. I note that there has been a change in the way that non-commercial [activities] and roads have been addressed. There is a change in the allocation of funding. There is a community service obligation now identified so can you remind me what that figure is, and how will that be administered given the restructure of Forestry Tasmania?

**Mr BARNETT** - Yes. The community service obligation is \$12 million, an increase of \$8 million on the previous year. It is for an important reason and that is to provide support to ensure that the public benefits flowing from various aspects of the service of Forestry Tasmania are made available and the taxpayer ends up funding that. In short, with Forestry Tasmania being restructured into two parts, you have the wood production division and you have the land management division. From 1 July it will be called Sustainable Timber Tasmania to reflect the new business focus and the new operating environment, where it is expected to be operating on a sustainable basis. On CSO more specifically, to answer that part of the question, the 12 million per year obligation payments will be made to Forestry Tasmania to ensure that permanent timber production zone land continues to be managed, accessible and available for multiple uses - wood production and land management purposes.

The funds will be administered by the Department of State Growth following a transfer of the CSO expenditure from the Department of Treasury and Finance. The provision for the CSO funding will ensure non-commercial activities are appropriately funded - the forestry roads network. I note there is some 10 000 kilometres of roads across Forestry Tasmania land and that needs to be taken into account for multiple uses such as tourist access. You might have noticed, for example, the Mersey Forest Road has just been rehabilitated and reopened going into the Walls of Jerusalem. I enjoy going there with my family and camping there, and other Tasmanians do that as well. That is a forestry road. It is an example of where it has been taxpayers' money spent to reopen that road.

There was an audit by Infrastructure Tasmania of the forestry roads. We have taken advice based on that audit and based on feedback. That is one of the reasons it is \$12 million a year for this year. We have also had feedback from key stakeholder groups in tourism, local government and elsewhere to help inform the Government on that decision. We have listened to the feedback

and we have provided that additional CSO to support the taxpayers and the public benefit. That funding will be paid through to Forestry Tasmania, soon to be Sustainable Timber Tasmania.

**Mr DEAN** - When does that happen? What is the date of it?

**CHAIR** - 1 July 2017. With the 29 000 hectares of hardwood plantations, the parcels, how is the sale going and what happens if there is no sale? There is a huge reliance on the funds from that sale, so where does the budget go if that does not sell? Obviously there will be a price that will not be accepted. How do you work out what is the lowest price that the state will take for those parcels?

**Mr BARNETT** - The answer is, it is going in accordance with the plan as advised to the Government, and in accordance with the Department of State Growth and Forestry Tasmania, 29 000 hectares as you indicated. This has been a long time in preparation. It is going through due process, probity is also very important - I want to emphasise that. We should know in the very near future about the final offers that have been and will be made and, based on that, the plan that the Government has is very clear. It is to retire the debt, pay down the debt, and whatever funds available to pay for the transitional costs to move from FT through to Sustainable Timber Tasmania and to make those payments. That will be decided in the coming weeks.

**CHAIR** - What happens if the plantations do not reach the required sale price and there are no funds to retire that debt? What happens then? We are not going to sell at any cost, surely. Surely there is a price point that must be reached before the state says yes, you are for sale.

**Mr BARNETT** - We cannot and the Government would not, and nor would I as minister, speculate about what price may or may be received for the plantation, so this is extremely confidential and probity is very important, so I will not be speculating on prices that may or not be received. The government's plan is to be paying down and retiring the debt, and paying for transitional costs. That is what we said in the ministerial statement in October last year, based on advice from Forestry Tasmania, so it is an important process. It is going in accordance with the plan and we will have more to say in the near future.

**CHAIR** - So there is not a plan B then if they do not settle? There is not a plan B at this point in time. The Government will take a rethink with Sustainable Timber Tasmania at that point in time?

**Mr BARNETT** - We will make appropriate decisions at the appropriate time.

**CHAIR** - Mr Dean, do you want to rephrase those questions that were asked downstairs? We can get at least a couple of them in.

**Mr DEAN** - I apologise for some of these that have come up from downstairs. I had some questions on Forest Stewardship Council certification and I am not quite sure how many were asked yesterday in relation to it, and I guess if I asked the question and was answered yesterday, just refer me to the *Hansard* of yesterday rather than waste time.

When is Forestry Tasmania likely to achieve Forest Stewardship Council certification? I guess that was asked.

**Mr BARNETT** - Yes, it was asked, their objective is to achieve FSC certification over their native forest estate. I make the point that they have already achieved it over their controlled wood,

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over the plantation estate, and the Greens and others said they could never do it, but they did, and now they are proceeding in accordance with their plans. We support their objectives to gain FSC certification and that is proceeding.

**Mr DEAN** - How much money has been expended by Forestry Tasmania on achieving or attempting to achieve FSC certification?

**Mr BARNETT** - Yes, that is a very good question. That specific question was not asked.

**CHAIR** - Go to the top of the class, Mr Dean.

**Mr BARNETT** - As to the specific amount of money, all I can say is a lot of time, effort and resources is being put in by FT to gain FSC certification. The second thing is that the board has advised the Government that up to 15 000 cubic metres less of timber would be available in terms of as a result of gaining FSC, so there is a cost to Forestry Tasmania and the community in terms of the wood that would become potentially unavailable as a result of gaining FSC certification. That is another reason, in the Government's view, we need more wood to become available. If you have 15 000 cubic metres, remembering the minimum requirement is 137 000 cubic metres of high-quality sawlogs through to the sawmilling industry, that is an important point. There is a cost to FSC certification.

**Mr DEAN** - Is there a quantum?

**Mr BARNETT** - A dollar quantum?

**Mr DEAN** - Yes.

**Mr BARNETT** - No, we do not have the dollar quantum as a government at the moment, but that would be a good question for Forestry Tasmania, which is in November later this year.

**Mr DEAN** - And there is also a cost in maintaining FSC certification, as you have just alluded to, so you cannot give any quantum on that either?

**Mr BARNETT** - I cannot give any quantum. That would be a good question for Forestry Tasmania.

**Mr DEAN** - And the amount of work that would be necessary in trying to ensure that is maintained and occurs in accordance with -

**Mr BARNETT** - Yes, Forestry Tasmania of course does have third-party certification already and FSC is just a further certification system which is sought to be achieved.

**Mr DEAN** - How many of Forestry Tasmania's customers have FSC chain of custody certification in anticipation of Forestry Tasmania's successful application?

**CHAIR** - Are these probably more questions for FT itself, given this is policy and reform?

**Mr BARNETT** - It is probably a better question for FT directly and we are dealing with the Budget and budget Estimates.

**Mr DEAN** - If I can get onto the second reading speech of the 2014 forestry bill, the Government made a commitment to the special timbers sector that Forestry Tasmania would provide the sector with 500 cubic metres per annum of each of the non-blackwood special timbers for three years, following the enactment of that legislation. This has not occurred. We have heard that as a result, businesses are struggling to obtain timber and prices have clearly skyrocketed, hurting the special timbers sector. Can the Government provide an explanation for why these volumes have not been supplied?

**Mr BARNETT** - You have raised a very good point and this is the exact reason we should hope for support of the bill because the bill does provide -

**Mr DEAN** - You are opening up new areas. These are not Dorothy Dixers, I might add.

**Mr BARNETT** - I am not going to reflect on anything that the Legislative Council decides and do not wish to influence, apart from saying we remain hopeful, but it is a very good point. That is why we are providing the bill to provide more opportunities to gain specialty timbers for the sector. It is not just in the permanent timber production zone land, this is what the bill does. It opens it up to other lands and that is a very important reason. That is why we are backing the bill. It will back in the specialty species timber sector to gain more resource. That is what they need because it has been cut off over the years under the previous lock-ups.

**Mr DEAN** - So it cannot be provided because it is not available.

**Mr BARNETT** - It is not available.

**Mr DEAN** - I think this is a question for the minister, again, you will tell me if it not. Forestry Tasmania provides \$10 000 annually to Timber Communities Australia, according to their financial statements. Given that the majority of its Tasmanian members of branches have left the organisation after its national board signed the TFA against their wishes and TCA no longer has any staff in Tasmania, how is this money spent and what benefit is it to Tasmania? Can it be redirected to community groups such as the Huon Resource Development Group and the Meander-Liffey Resource Management Group?

**Mr BARNETT** - I think it is best for me to note that question and indicate that is probably best for FT than Estimates, but I appreciate the question and I have noted and acknowledged it.

**CHAIR** - Are there any questions specific to forestry policy and reform, honourable member? Otherwise we are going to have to leave those.

**Mr DEAN** - Go to somebody else.

**CHAIR** - I have a question in regard to the Forestry Tasmania legacy of superannuation liability that the Tasmanian Government footed the bill for previously. Do we have any more obligations for the superannuation liability? Does the Tasmanian Government intend to pick up any more liability?

**Mr BARNETT** - The intention is not to pick up any more liability at this stage. The intention is to do what we are committed to do and announce last year, which was to pay the \$5 million to pay down that superannuation liability. It is a very significant amount of money but the liability

was massive. That support was agreed at the time with the Treasurer and has the Treasurer's full support.

**CHAIR** - So there is an ongoing commitment to that. I want to ask a question around the Forest Practices Authority.

**Mr BARNETT** - Yes.

**CHAIR** - I do not know if you will need to bring a very important person to the table, minister.

**Mr BARNETT** - If Peter Volker would come forward on behalf of the Forest Practices Authority.

**CHAIR** - Welcome, Peter. Nice to see you, north-east lad, as we know.

Minister, there have been some changes proposed to the Forest Practices Authority. What brought about those changes to the Forest Practices Authority and its processes? What sort of staffing do we have there, and we adequately staffed and resourced to undertake that important role that the Tasmanian community and the broader Australian community now seem to think that they have a lot of authority on? I am interested in what goes on in that organisation.

**Mr BARNETT** - I will kick it off and then I will pass to Peter.

We are backing the Forest Practices Authority and the work that they do. We are very proud of the management regime we have in Tasmania. We believe it is best practice in Australia and indeed around the world. Out of the \$4 million that we are backing in the Budget for the growth plan and to support forestry, \$1.2 million is for the Forest Practices Authority, which includes funding support to focus not just on the environment but also social and economic impacts because this is what has been forgotten in the past. As a policy direction, we are going to be looking at not just environmental issues; what is the impact on the economy and on the society as well? Hopefully that is -

**CHAIR** - Through subordinate legislation I have seen some new regulations come in. I am just looking to see what has driven those new requirements.

**Mr BARNETT** - That is part of the Government's policy to focus not just strictly on the environment, but to focus on the economy and society and the community as a whole. It is based on feedback from the TFGA and from other key stakeholders in the forest sector. There is \$1.2 million and then you have \$800 000 for looking at the socio-economic effectiveness testing and \$400 000 for annual surveys of the socio-economic system and how it works and those key indicators. All up, that is \$2.4 million in the Budget over the next four years to support the work of the Forest Practices Authority. Could I pass to Peter?

**CHAIR** - Thanks, Peter.

**Mr VOLKER** - Currently we have 18 staff, that works out at 13.8 FTEs because we have some part-time staff. Specific questions -

**CHAIR** - Specific questions were: other than the government policy, are there any other matters that the Forest Practices Authority have found have been lacking in their role in assessing the harvesting of timber in Tasmania? Hence, we need to look at those and change them.

**Mr VOLKER** - No, at the moment - when we went through the TFO process and the downturn in the industry, we shed a lot of staff. We are gradually building up. We have had some pretty good financial management that has allowed us to build some reserves. We are putting on some temporary staff - when I say 'temporary' I mean staff on short-term appointments to fill some gaps until we get a better handle on our long-term financial sustainability. The industry is starting to pick back up.

There has been a transition from predominantly native forests to now predominantly plantations, so that has changed the structure of our work and our requirements. At the moment, we are in a situation where we are slowly building up but we are not in a position to inform the minister really what our long-term position is going to be.

**Mr BARNETT** - I think I could add that we could mention to the committee members that we are about to review the code.

**Mr VOLKER** - Yes.

**Mr BARNETT** - I think that might be of interest to you. There is about to be a review. It will take a lot of time but it is important there be continual improvement. There will be a review of the Forest Practices Code and we will get feedback from the key stakeholders.

**CHAIR** - Minister, with the ramping up of the harvesting, and most of us who were out and about in our electorates would see that, does that mean that there is more of a requirement for the officers working in the Forest Practices Authority to be out in the field assessing those harvesting plans?

**Mr BARNETT** - Yes. There are two parts to the question. The answer to the first part is yes, there has been a significant increase in private timber harvesting in Tasmania and that is very good, you have seen more log trucks on the road, there has been more activity, that is for sure.

In terms of the FPA and how they are responding to it, that is more of an operational decision. I might pass that to Peter but I know they are doing a terrific job, I have met them recently for an update. Do you want to add to that?

**Mr VOLKER** - We have forest practices officers who are basically industry people in the co-regulatory model. As we speak, we are training another 21 new FPO applicants this year. We have 150-odd people out there at the moment, which is down from around 200 when we were at our peak. I think we have enough on-ground resources.

**CHAIR** - To oversee those harvesting plans.

**Mr VOLKER** - Our internal staff basically provide advice and support to those people on the ground.

**Mr DEAN** - I asked this question of the Government to see what your position is and again, this is a Forestry Tasmania question as well. There is a lot of public concern in relation to

clear-felling within forestry. It is a big issue, people raise that with me on a continual basis and it is an issue I have raised. What is the Government's position on that and any directions to Forestry Tasmania in relation to clear-felling? It concerns the beekeepers, they have raised it as well, they are concerned for their leatherwood business. They support forestry and they have said that clearly in a document that I have from them, and I suspect other members would have that as well. They have grave concerns about clear-felling operations in these areas.

**Mr BARNETT** - It is a two-part question. I will deal with the beekeepers as well. In terms of how we are managing our forests I want to headline figures. We, in Tasmania, in terms of managing our environment are second to none. Our level of environmental protection is more than three times the average level of protection across Australia, more than three times the average of the OECD and more than three times the world average. I wanted to put that on the record. Two-thirds of our forest cover is still there which existed at European settlement, half of our state is in forest, half of those forests are totally protected.

Having said that, I have said we are following Australia's best practice, world's best practice in terms of forest management. In terms of the clear-felling issue I will ask Penny to speak to that issue but I will address the beekeepers and bees because that has been in the news. I have been meeting with them from time to time and we have an ongoing relationship with the Tasmanian Beekeepers Association and the Tasmanian Crop Pollination Association because it is very important for agriculture and farmers. We have strategies in place to support them. In last week's Budget we were pleased to announce \$30 000 has been allocated to develop a bee industry futures report to support the future sustainability and growth of this vital sector. It will involve extensive consultation with the Beekeepers Association, the Tasmanian Crop Pollination Association, the TFGA and the Fruit Growers Association because bees are important to all those parts of Tasmania. We are pleased with that and we will be working with them on that.

In terms of leatherwood and forestry, most of the leatherwood is gained from across national parks, different conservation areas, regional reserves and some forestry land. We are in the process of developing some protocols between Forestry Tasmania and the Beekeepers Association. We are working through those as we speak and working with the department as well. We have a range of stakeholders in the department working with the beekeepers. I wonder if Penny could answer on the clear-felling. Would you like to outline the policy around that.

**Ms WELLS** - Sure, probably between Peter and myself. Clear-felling is a silvicultural technique that is particularly employed in the wetter forests with the thicker understorey. Over many decades of scientific analysis of best silvicultural practices, the clear-felling operations are ecologically, and also from a safety perspective, the best method of regenerating wet eucalypt forests.

A lot of work has been undertaken, particularly in the last decade or so, around managing the smoke from the regeneration burning processes. I might hand over to Peter because the Forest Practices Authority has been very involved in developing tools for the smoke management, and particularly between the different companies and land managers burning during the burning period. Some pretty sophisticated processes are being developed. Perhaps Peter wants to talk more about that.

**Mr DEAN** - Just before Peter talks, on the Forest Practices Authority, what position do they have in this? Do they say 'Yes, that area can be clear-felled'? Is that a responsibility of the FPA - who gives that authority?

**Mr BARNETT** - They have a role. Peter.

**Mr VOLKER** - The decision on the silvicultural system is ultimately up to the applicant to a forest practices plan. An applicant will develop a plan with a forest practices officer usually writing the plan for them and they will submit it to the authority for certification.

We do not tend to dictate what the silvicultural system they use will be, but we will comment on the biodiversity and the soil and water aspects of the plan so they have to meet those requirements that are in the code to protect soil and water and biodiversity.

There have been new systems developed by the industry over the last 20 or 30 years, which is sort of adaptations of clear-fell burn and sow. Now we have one system that is called 'aggregated retention' so they will leave patches of mature habitat within what used to be a clear-fell area that give a bit of habitat and structural diversity. That and that creates issues for the regeneration burn as well because hopefully they will burn the area and try to leave the patch unburnt, but sometimes things happen and the patch will get burned. Still, even if the patch gets burned it leaves old trees that have hollows and so on there. There have been attempts to change clear-fell burn and sow to an extent but as Penny said, the requirement of the wet eucalypt forest is that they need open ground. They need a hot fire to get an ash bed effect for the seedlings to germinate and grow very quickly. The research was done on that back in the 1960s and people keep saying that is ancient news, but the fact is that another 70 years of research has not changed that basic fundamental science of how eucalypts grow.

The other thing the FPA does in cooperation with the EPA is, we run the coordinated smoke management system so every day during the burning period, based on meteorological conditions, all the companies that want to do a burn put in a bid and, based on different regions in Tasmania, there is, to simplify it basically, they put in a bid for a certain amount of smoke and then once that is exhausted, there is no more burns. That is based on where the smoke is going to go so what we are trying to do is avoid smoke going into places where people live. This year, there have been approximately 300 burns in the last two months. There has not been one complaint about forestry burns in terms of smoke emissions as far as I understand from the EPA.

**Mr DEAN** - That is a good result. So a Forest Practices Plan is completed by the contractor and that is submitted to -

**Mr VOLKER** - A Forest Practices plan is completed by what is called 'the applicant'. A person who wants to cut forests - in Forestry Tasmania's case, they would be an applicant - in the company's case - generally be the company that owns the forest, and in private land owners case usually the applicant is the land owner.

**Mr DEAN** - Who sits down then and works through that plan to see whether or not it meets all of the criteria? Do they go to the site or do they do it from the list and say this is an area that can or not be clear felled?

**Mr VOLKER** - Usually an applicant, will get a plan drawn up by a trained forest practices officer. The plan is submitted to the authority which quite often is a forest practices officer, delegated by the authority to certify plans. They will go through the plan to make sure it meets all requirements. Included in the preparation of the plan, is a requirement to get advice from the specialist in the authority on bio diversity in soil and water. If there is a particular issue such as a



threatened species, et cetera, there is advice given. The majority advice is accepted as is and put into the plan. Sometimes there is a little horse trading for social and economic reasons with the landowner about what they should or should not do, or what they can and cannot do in terms of their own desires to manage their properties. Once that is certified, it becomes the plan and work is done according to that plan.

**Mr DEAN** - Is it an appealable process? Is that plan then made known to the public?

**Mr VOLKER** - It can be. For instance, Forestry Tasmania put theirs up on their website. Private land owners generally, for a lot of reasons, do not want their plans put in the public arena straight away. If we get a request, we generally direct the request to speak to the applicant first. If the applicant refuses to supply the plan, as is their right, there could be a right to information. In that case, we will go through and provide the plan under right to information legislation.

**Mr DEAN** - Thank you for the explanation.

**Mr FINCH** - The 40 hectare land clearing allowance announced for landholders. You made the suggestion most farmers were clearing about two hectares a year, probably up to 10. That 40 hectare land filling opportunity, is that in total?

**Mr BARNETT** - Yes, up to 40 hectares per farmer per year under the Native Forest Estate Policy, which was announced and released on Sunday. I think that is what you are referring to.

**Mr FINCH** - I do not understand the detail of it fully at this stage. It is 40 hectares per year that can be cleared?

**Mr BARNETT** - Up to 40 hectares a year in accordance with the law. Meaning in accordance with the approvals from the Forest Practices Authority, environmental, Commonwealth laws, state laws - it is in accordance with the law. It is not just, go for it as might be suggested by some in the community.

**Mr FINCH** - As a farmer wants to do some harvesting, even down to, say, two hectares, does that go through the advisory board?

**Mr BARNETT** - Yes, they must gain all the relevant approvals in terms of harvesting timber. If they want to, for example, put in a centre pivot, and there is a tree here and a tree there, and a tree there and you can't, you have to get relative approvals to clear that two hectares, or whatever hectares and put in a centre pivot. The TFDA are so supportive because it is a balanced approach. If we had not done that from 1 July this year, there would have been a ban on any clearing for farmers across Tasmania of native forestry estate.

**Mr DEAN** - What about the farmer who takes a tree here and there for their own personal use, they might have a portable saw mill or take for posts. How far does that go?

**Mr BARNETT** - Good question. Peter is the technical person.

**Mr VOLKER** - Under the forest practice's regulations, regulation four, there are exemptions from meeting a Forest Practices Plan for a number of reasons. One is, if it is not vulnerable land you can harvest one hectare or 100 tonnes per property per year without needing a Forest Practices Plan.

**Ms WELLS** - If it is vulnerable, which includes things like steep slopes, cast areas, threatened species habitats, stream side reserves. If it pulls into any of those categories and it is vulnerable land then the exemption on the small scale perspective does not apply.

**Mr FINCH** - Minister, 15 per cent of Tasmania's land mass of course is on private land holdings. No doubt you have had strong discussions with private land owners in respect of their harvesting opportunities and selling if the price is right. If they do not have to compete with subsidised Forestry Tasmania then it will be a better place for them. Can you give us some idea of your discussions with private land owners?

**Mr BARNETT** - You are talking about subject to if the legislation is past.

**Mr FINCH** - Yes.

**Mr BARNETT** - Positive feedback. Different feedback from different farmers and private land owners in general, but basically the market is lifting. Compared to the mainland, you will notice the prices here over time have been less than on the mainland. So if the market is lifting for timber, timber products and wood fibre it will be better, not just for Forestry Tasmania, but for private timber operators. We have Jeff Battersby here from Private Forest Tasmania. The turnover in terms of private forestry has increased 48.5 percent over the previous year to 2.94 million tonnes. A level of production not experienced for eight years.

We are seeing record highs in terms of private forestry operations. I think you are talking Forico, native and private plantations - not plantations but more farmland. In terms of the plantation estate that has been going gang busters, really very positive. In terms of the farmers, yes more opportunities will be made available for them. The feedback I have had is positive. They would like to see more activity. If we can make more timber available under our legislation then this will provide more opportunities. Forestry Tasmania, rather than just being required to get their timber from PTPZ land to fulfil 137 000 cubic metres a year in legislation, they will be able to go elsewhere and guess where they will go? They will go to the private sector and the farmers. Over time there will be more demand for that timber as a result of that legislation passing.

**Mr FINCH** - That figure of 137 000 tonnes or cubic metres, can you revisit that legislation?

**Mr BARNETT** - That was put to us as an option after the Forestry Tasmania delivered its letter in September last year, which I tabled in the Parliament, it is a public document. They said one of the options is one in four trees was uneconomic and one option was to pull the 137 000 cubic metres back to 96 000. We rejected that option because the obvious outcome was less timber available going to all the sawmills around Tasmania. We totally rejected that option as an estimated 700 jobs would be terminated in all those sawmills around the state.

The second was the Green's options to close down native forestry altogether. We rejected that and the third option was to put forestry onto a sustainable basis and to make more wood available. One is in the production forest land which we are talking about. The 356 000 hectares and two is to make Forestry Tasmania give them the freedom to get timber from wherever they want rather than just forestry land. They can get it from the private sector and that is the option we want because that will create jobs, end the subsidies and help build the economy.

## UNCORRECTED PROOF ISSUE

**Mr FINCH** - Is it a fact with current contracting costs, Forestry Tasmania will continue to make a loss on most harvesting unless the price of saw logs is increased?

**Mr BARNETT** - It is fair to say one of the important decisions we and Forestry Tasmania have made, is to get more income from their wood.

They are based on the FIAT members. Most of those have contracts through to 2027 so one of the obvious recommendations from Forestry Tasmania report last September was to increase. Rather than saying we will have that increase right now, because contracts are in place there is a transition arrangement over the next one to three years. There will be an increase in the price made for timber. That will help Forestry Tasmania soon to be truly Sustainable Timber Tasmania.

**Mr FINCH** - If the bill in the Legislative Council is passed have you had an expression of interest to harvest if the former reserves are opened up?

**Mr BARNETT** - Yes, well let me make it very clear. They are not formal reserves. Some might suggest they would like them to be. It is Future Potential Production Forest. Soon to be production forest land if the bill passes.

The Labor Greens government wanted to lock it up. They did, but we passed legislation in 2014 so it is called Future Potential Production Forest. So in terms of what would happen there, Kerry, so to repeat your question.

**Mr FINCH** - Have you had expressions of interest.

**Mr BARNETT** - Yes, look my office obviously and there has been feedback on interest in that land. We have obviously had support from a whole range of small saw millers. Ivan Dean has referred to the specialty timber sector. They are very keen to support the legislation so we have had a lot of interest. The majority of witnesses to your Legislative Council actually support the bill because they want the wood and they support the bill. They definitely want access to that area because they need the wood. There is a lot of examples I could share more, we have had feedback and very pleased with the positive feedback.

In terms of FIAT and the big boys are saying they are not wanting it at this stage. They might change their mind in due course, but certainly the little guys and specialty timber. An example at Longford, Koppers Wood Products. They make the telephone poles and having lack of access to wood and wrote to Legislative Councillors. Where do you get your TasNetworks poles? We used to call them the hydro poles. So, where do you get them. They need the wood.

**Mr DEAN** - One of your points was the contracts are in place until 2027 and if Forestry Tasmania or Sustainable Timbers Tasmania in the future cannot provide, they have to pay out.

**Mr BARNETT** - That is right.

**Mr DEAN** - To those big companies. So the big companies cannot lose in effect. What is the payout figure? If they are contracted to provide a certain amount of timber say to Bretton's or McKay's, it is the amount of timber they cannot provide they have to pay out on?

**Mr BARNETT** - Yes, it depends on the circumstances. I will not get into individual circumstances, but what you have said is correct. They are on a contract. As a government we are

not into the position of tearing up contracts. That is not in our DNA. We do not support that so those contracts remain in place through to 2027 so, 'Yes, they will be right, Jack and what about everybody else.'

**Mr DEAN** - What I said was right, 'We are right, Jack. Stuff the rest of you'?

**Mr BARNETT** - You can use all sorts of words, but they are acting in their self-interest. I acknowledge that. They are entitled to do that, but we have to act for the public. We are acting for Tasmania. We are acting for the little guys, the small saw millers to koppers who need their hydro poles, to the speciality timber sector, they need and want it. We are trying to do our best to make that an opportunity. I must make the point this is voluntary, not compulsory.

**Mr FINCH** - When is the expectation that process might be completed if FSC certification for Forestry Tasmania is successful?

**Mr BARNETT** - Yes. As I have indicated earlier, they are working on it. We support their object to gain FSC certification. I have had feedback from FT, and you can ask them in further detail later in the year.

**Mr FINCH** - What export markets might be available for any non-FSC certification wood might come from, not the former reserves, but the former areas?

**Mr BARNETT** - Yes. That is a matter to be determined in the future. If it is going to a small saw miller, then they probably do not need FSC certification. They will just go and get the timber and do what they need to do. Speciality timbers will be different. It depends on who is putting in the expression of interest.

If they want to get FSC, that is totally up to them. For example, there is FSC in the private sector already obtained by SFM and Neville Smith Forest Products. They are getting their timber FSC accredited and exporting it already. This is already happening in the private sector. Congratulations to them. They are trying to meet a market. There are others of course where there is no FSC, and they are exporting it through to Asia and China and Japan. They do not have FSC so let the market determine what is available. This is all voluntary. We are simply trying to create opportunity.

**Mr FINCH** - Yes. When we were doing our lead-up to the bill, there was some talk only 50 000 hectares of the 356 000 hectares might be made available and suitable for logging. Could you give us a comment on that? Why open the whole lot up, if there is only 50 000 hectares suitable for logging?

**Mr BARNETT** - Yes. I am not sure where those figures exactly came from.

**Mr FINCH** - From the Chair.

**Mr BARNETT** - Yes. This has come up in previous GBE Estimates with FT, but trees grow, they change over time and they are dynamic. Tasmania is a great place to grow trees, so that is absolutely fantastic. It is one of our great strengths for Tassie. We have our forests and half of them are already protected.

Exactly how much? I do not know exactly how much will be available. That will be subject to an expression of interest process with the company and the private sector. Let me make it clear, Forestry Tasmania is not involved in any way, shape or form with the management or harvesting of trees in the Future Potential Production Forest or future on production forest land. That will not occur. It is for the private sector. They will make expressions of interest for this or that area, and it will determine what trees and amount of wood is actually harvested. That will be determined over a period of time in the future.

**Mr DEAN** - Forestry Tasmania must be able to answer that question. Forestry Tasmania must know how much of that land is suitable and available for logging at this time.

**Mr BARNETT** - I think it is best those questions for Forestry Tas go to FT.

**CHAIR** - There will be plenty of opportunity in the House when we continue through the committee stage to ask these questions. Is there anything else in regard to policies?

**Mr BARNETT** - Penny can assist you on that point.

**CHAIR** - We are getting way behind time.

**Mr DEAN** - It is important. This is one of our most important ones.

**CHAIR** - Everything is important.

**Ms WELLS** - I make the point, opening up this land to the private sector is providing opportunity to other organisations. Forestry Tasmania has its particular business model, cost structure selling to its particular markets. Other companies have very different cost structures, different market and hence a different business model. The amount of area being discussed here in relation to Forestry Tasmania's commercial viability to harvest, may be quite different to a different company. That is why it does not make a lot of sense to say, why only make that amount available for harvesting.

**CHAIR** - The final question even though you know you do not like me by now. That is a final question.

**Mr FINCH** - Why do you say that?

**CHAIR** - Because I can feel it.

**Mr FINCH** - I only just questioned when I was limited you wanted me to ask one question and then maybe two. What am I supposed to do, just accept and say, 'good thanks for limiting what I think are good questions'. The minister must appreciate the questions I am asking give him the chance to explain.

What parts of the Ministerial Advisory Council report on forestry are you planning to implement?

**Mr BARNETT** - We have strong support for the document which is developed by the Ministerial Advisory Council over a long period of time. I thank them and all members of the council they did a terrific job. My predecessors with their previous Chair's and now I have that

great privilege since July last year of working with the Ministerial Advisory Council. We are backing it with \$4 million over the next four years. They have a plan for growth to double the value add for forestry in Tasmania from now to 2036. That is quite achievable, in fact they might be able to do better.

We are backing it with the funding for the Forest Practices Authority, and with education awareness. Dollar for dollar funding for marketing with the forest products sending it into the mainland. Education and awareness funding over \$600 000. With \$150 000, they have recommended an umbrella body for forest industry. It is a great initiative with seed funding of \$150 000. The growth strategy and the Government's very extensive response are on the website. I draw that to your attention. It is more than half a dozen pages long and it is sitting right there.

**Mr FINCH** - Is that all there is?

**Mr BARNETT** - There is quite a bit there and we are right behind it. The wood encouragement policy came out of the Ministerial Advisory Council. We released the wood encouragement policy yesterday and it is a good document. I encourage all members here and members of the public to have a look at it. It will support our forest industry, support the purchase of more timber, particularly Tasmanian timber and as a Government we are instructing our departments to consider timber. They can look at the value for money and the benefits of timber in terms of the economy and the environment, socially and every other respect. We are pleased with that policy and it has the full support of all MAC members.

**CHAIR** - We appreciate that session this morning and we would like to invite you as the Minister for Building and Construction when we return to the table.

**Mr BARNETT** - I thank the officers at the table for your support, it is much appreciated.

### **Minister for Building and Construction**

#### **Output group 1**

#### **Administration of justice**

#### **1.10 Workers rehabilitation and compensation tribunal -**

**Mr BARNETT** - I introduce Simon Overland, Secretary of the Department of Justice; Nick Evans, Deputy Secretary, Department of Justice; Mark Cocker, Acting General Manager, WorkSafe Tasmania, Department of Justice; Dale Webster, Director, Consumer Building and Occupational Services, Department of Justice. Thanks to them and their team for their support.

**CHAIR** - Thank you very much.

**Mr BARNETT** - Over 20 000 people are employed in the building and construction sector. We have \$2 billion in the Budget for infrastructure. The housing incentive package is in five parts. First, we are very proud of the \$20 000 first home builders grant initiative. The stamp duty changes will benefit house and land packages, they are not just for first home builders but any Tasmanian can access those. We have \$300 000 for councils to support their move to a statewide planning scheme. There is \$1.9 million for an iPlan. This is cutting-edge technology; this is a one-stop shop in planning and building. iPlan is a very exciting development - watch this space, it is coming our

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way and backs the already nation-leading building reforms that were implemented from 1 January this year. That is making it faster, easier and cheaper to build.

We back support for the industry with our changes to support apprentices and trainees with payroll tax exemption for the bigger companies and then we have incentives of \$4000 per person for an apprentice or a trainee for medium-size or small business. We have covered all the bases to support the growth that we see in building and construction. It needs young people to come though. We have those incentives in place, and I am happy to expand on all of those.

For WorkSafe Tasmania, our objective as a government is to ensure that employees and whoever is working, come home to their families safe every day. This is a top priority.

I advise the committee that the numbers over the last 10 years have come down in workplace injuries. There has been a 25 per cent reduction over a 10-year period. We are pleased with that outcome.

Percentage of workers compensation injuries resulting in time off work has also dropped from 49 to 42 per cent. The rates of serious injury, overall lost times, serious claims and serious claim frequency rates have all decreased in Tasmania, and the return to work rate is 92 per cent, which is above the national average of 87 per cent.

You might have noticed that six weeks ago I launched the Asbestos Awareness and Education Campaign with Dr Rob Walters. That has been out there in the community. You will see it often in the media and it is for an important reason. We need to be proactive in this space, asbestos is an issue, particularly in our workplaces. The campaign is a joint campaign of WorkSafe Tasmania and the Asbestos Safety and Eradication Agency, a national agency, which have come together to work in partnership to be proactive. It is targeting and informing tradespeople, do-it-yourself people and home renovators because that is a key area where we need to focus on asbestos and safety.

In Consumer Affairs and Fair Trading, we have done a lot of work this past year. I thank the department and Dale Webster for his leadership and support. We have passed the legislation regulating property agents, strengthening consumer protections and cutting red tape for agents. You might have noticed the feedback from the Real Estate Institute was that our nation-leading changes have now kicked in.

We have progressed amendments to the Residential Tenancy Act to remove unnecessary compliance burdens and streamline the lodgement system.

We have the code of practice for fuel price boards and increasing petrol price transparency for motorists with the GasBuddy app now in place. You might have noticed that in recent months.

In consumer affairs, they are doing a lot of work on product safety recalls that has to be quickly disseminated, helping people to promote consumer safety.

Overall, it has been a very busy period. We have really advanced greatly in the areas we want and we have been backing it in the Budget as well with good support.

**CHAIR** - Thank you very much, minister. I will invite the member for Launceston, Ms Armitage, to begin the questions on 1.10.

## UNCORRECTED PROOF ISSUE

**Ms ARMITAGE** - Minister, to start off with, could I ask for a comment from you regarding the comments by the outgoing workers comp chief Stephen Carey[oK] about the tribunal and its Budget. His comments were rather scathing. I could read them out if you like.

**Mr BARNETT** - No, we had this question yesterday so I am more than happy and the secretary of the department I think answered it pretty well.

**Ms ARMITAGE** - I have not read yesterday's answer.

**Mr BARNETT** - I fully understand but I note the question and acknowledge it. They were disappointing comments. There is a very thoughtful and considered response if I can pass to Simon.

**Mr OVERLAND** - We were a bit surprised about the strength of the comments made by the chief commissioner in his annual report. He had raised some issues with us prior to his departure about the way the various tribunal functions hosted within the Workers Rehabilitation Compensation Tribunal were being managed. That tribunal also hosts the Asbestos Compensation Tribunal, the Anti-Discrimination Tribunal, the Motor Accident Compensation Tribunal and the Health Practitioners Tribunal. The issue really relates particularly to the Anti-Discrimination Tribunal that came across from the Magistrates Court to the Workers Rehabilitation and Compensation Tribunal. At the time, \$90 000 was moved from the Magistrates Court budget into the workers tribunal budget to fund that work. The other tribunals are funded through a variety of means; they are not funded from the Workers Compensation fund, which would not be appropriate.

There are really two issues. One is, you could run an argument around apportionment of overheads and whether the overheads should be shared across the various tribunals. We have not done that because our view is that the workers compensation tribunal would be picking up those costs anyway and so, on an accounting basis, you could make that change but it did not seem to us to make a lot of sense. The issue is really whether the \$90 000 is sufficient for the purposes of the Anti-Discrimination Tribunal. We are tracking expenditure against that very closely this year to ensure that there is sufficient funding there to meet the work being conducted within that tribunal, and to ensure that there is no cross-subsidisation, which I think is really the issue that the outgoing chief commissioner was pointing to.

I have looked at it and my CFO has looked at it. We have had discussions with the registrar and the incoming chief commissioner to make sure everyone is satisfied with the approach we are taking.

In light of the question that was asked yesterday and in light of the question today, I have also arranged for our internal auditors to have a look at this to absolutely satisfy everyone that it is being dealt with appropriately. I am satisfied with that but I think it would benefit from having someone independent look at it and provide an absolute level of reassurance to all concerned.

**Ms ARMITAGE** - Another issue that was raised with me, and this may be because of budget, that no action was initiated by the Department of Justice to fill the vacant commissioner position until after July 2016, even though the number of full-time equivalent staff was 6 when the budget was for 8. Was that purely for budget reasons to do it after the financial year?

**Mr OVERLAND** - No, it was not. It was not budget-related. There are a variety of reasons as to why that process was somewhat delayed. It is not appropriate for me to go into some of those reasons but it was not budget-related.



**Ms ARMITAGE** - Going back to the report, which is quite interesting, it is a good way to find out the things that have come up. I noticed that psychological [issues] is one of the main issues that have come up from claims apart from back [problems]. Are we doing anything in particular or is there any reason we are getting more psychological claims now?

**Mr BARNETT** - Are we talking worker's compensation?

**Ms ARMITAGE** - Yes, the same tribunal. I am looking at their report.

**Mr BARNETT** - I will just check if Simon Overland or Mark Cocker would like to do that.

**Mr OVERLAND** - I think that those matters in the tribunal are reflective of the fact that they tend to be more complex claims to assess and manage. If there is a physical injury, that tends to be very evident and quite clear. If there is a psychological injury, the extent to which it can be attributed to the workplace can often be less than clear and there can be some factual complexities. The fact that these matters finish up in dispute and in the tribunal I do not think is all that surprising.

**Ms ARMITAGE** - And on a par with back injuries, basically, which has always been the greatest number.

**Mr OVERLAND** - Yes, psychological injuries continue to be a problem across the scheme although I have to say there has been a great deal of work done in trying to ensure those injuries are better managed from the outset. Obviously the aim is to prevent the injury in the first place and I think workplaces now understand more about that risk and do more to manage it. Equally, if there is an injury, the return to work focus is really important. As the minister said, we have very good return to work outcomes here in Tasmania and that supports the fact that we are better at managing these injuries. The nature of the injuries are such that some of them are always inevitably going to find their way through as a dispute to the tribunal, which is the appropriate course. The tribunal is then positioned to make judgments around whether those matters should be accepted as a workplace injury and managed accordingly or not.

**Ms ARMITAGE** - Another interesting one, I am just looking at the total number of workers compensation claims from 2011-12 to 2015-16. In 2011-12 it was 9298 and it has dropped down into 2015-16 to 7481, yet the number of s.81A referrals, which relates to payments, has actually gone up from 443 to 627. While claims have come down considerably, the number of s.81A referrals has gone up. Do you have any thoughts as to why that has happened?

**Mr OVERLAND** - You are referring to the disputes.

**Ms ARMITAGE** - Yes, to the disputes for the tribunal, which is 1.10.

**Mr OVERLAND** - That is notification of a dispute. Again, I think that has to do with more active and more responsive claim management. Just because a claim is made does not mean that employer has to accept that it is work-related and they have responsibility for it.

Many claims are just accepted and go through as a matter of course, as they should, but if there is reason to doubt the basis that the injury is essentially work-related or there is a causal connection between work and the injury, it is appropriate that a dispute is notified and it then goes in to the commission for the commission to adjudicate on that.

**CHAIR** - In light of that then, we will move to Worksafe Tasmania 4.1.

**Output group 4**

**Regulatory and other services**

**4.1 WorkSafe Tasmania -**

**Ms LOVELL** - Minister, up until fairly recently, it is my understanding that the WorkSafe inspectorate has been generalised and expected to work across all nine industries that are covered by WorkSafe Tasmania, but in early May this year they were told that they will now be specialised in a particular industry. Can you give some advice on what specialised training has taken place so far?

**Mr BARNETT** - Yes, you would like me to do that now?

**Ms LOVELL** - If you can.

**Mr BARNETT** - Is it just that question ?

**Ms LOVELL** - I have some more questions as well, but yes.

**Mr BARNETT** - Yes, we had this yesterday and I think Mark Cocker answered some of these questions so I will pass to Mark as more operational in terms of the training of certain personnel in different aspects of the inspectorate regime. I will say the performance has been very positive and we are pleased with what is done, but there have been some changes.

**Mr COCKER** - I am not aware of any request, requirement or otherwise that inspectors would specialise in a particular sector from May this year, but certainly training is a major focus of our organisation, as it is for WHS regulators across the country. Two of our inspectors are currently in Queensland undertaking specialist investigation training as we speak. In July and September this year, specialist investigator trainers from the work health and safety regulator in Queensland will be on site to provide our inspectors with further and better specialised training in that context. There is an ongoing training regime within the organisation, which is fed from performance and development discussions or other key areas that we have identified.

**Ms LOVELL** - Did you say that you were not aware that inspectors had been advised that they would be specialised in particular industries from May? Did I hear you correctly?

**Mr COCKER** - Yes, that is correct.

**Ms LOVELL** - Minister, can you confirm how many inspectors are currently employed with WorkSafe, both FTE and head count?

**Mr BARNETT** - Yes, I will ask Mark to respond.

**Mr COCKER** - We have a total of 31 field active inspectors.

**Ms LOVELL** - Is that both FTE and head count, 31 full-time?

**Mr COCKER** - Yes.

**Mr DEAN** - Where are they, sorry? Where is the spread of those officers?

**Mr COCKER** - In Burnie, Launceston and Hobart.

**Mr DEAN** - How many at each?

**Mr COCKER** - There are 10, 10 and 11.

**Mr DEAN** - 10 in Burnie?

**Mr COCKER** - Ten in Launceston, 10 in Burnie and 11 in Hobart.

**CHAIR** - A pretty even spread.

**Mr FINCH** - Minister, I am just wondering if that is as many as we require. Do we have people off on sick leave or stress leave? Is that a full compliment? Do we need more or less? I am just curious about that.

**Mr BARNETT** - I will pass to Mark, but of course the numbers and with impact on stress leave or holiday or whatever, go up and down a little bit.

**Mr COCKER** - We have full-time and part-time staff within that number. We have staff currently on leave for a variety of reasons. The number of 31, as much as it would be nice to have more resources, when you compare that nationally to 10 000 workers, is equal to the national average of 1.1 inspectors for every 10 000 workers.

**Mr FINCH** - Are you saying there are part-time inspectors?

**Mr COCKER** - There are some part-time inspectors.

**Mr FINCH** - Of the 31, some of those are part-time?

**Mr COCKER** - Correct.

**Mr FINCH** - How many are part-time?

**Mr COCKER** - Five.

**Ms LOVELL** - Maybe I misheard you, but you said 31 FTEs and 31 head count, but that does not add up if you have some part-time and some full-time. Perhaps if we do not have those figures, could we get those figures?

**Mr COCKER** - I could take that on notice.

**Ms LOVELL** - Thank you.

**Mr DEAN** - I say this every year but I really feel sorry for the officers at Launceston. You see them running from job to job all the time. They do a great job and I admire their tenacity. What

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are the bulk of the issues, minister, that WorkSafe officers are dealing with? What are the main concerns?

**Mr COCKER** - In terms of the inspectors?

**Mr DEAN** - Yes, inspectors. I am talking inspectors and on-job issues.

**Mr BARNETT** - There is a range of issues but as to the breakdown, I will pass to Mark as it is more operational.

**Mr COCKER** - A broad range of issues, minister, ranging from basic glassing[? 11.14.06] through to zoonosis.

**Mr DEAN** - Zoo what?

**Mr COCKER** - Zoonosis, the A to Z of activity. Looking at some figures for the past three years to the end of May this year, there has been a total of 9397 businesses engaged by our inspectorate statewide.

Those engagements related to 7830 specific issues, whether they be complaints, incidents, accidents, investigations, proactive or reactive work.

**Mr DEAN** - What is the backlog of cases that the inspectors are dealing with? Are they able to keep up with all of the matters and issues coming in or is there a backlog of cases that they are trying to get on top of?

**Mr COCKER** - In terms of case load that is an interesting concept. We have a fairly robust triaging system in place, whereas their major focus is on our priority industry sector such as construction, manufacturing health care and social assistance, agriculture, forestry and fishing. There are some other, more critical issues, which are identified in other industries that we also attend to. I do not have figures on the number of open investigations with me so, through the minister, I could take that on notice.

**Mr DEAN** - I would like the break down of the three regions.

**Mr BARNETT** - What sort of break down would you like, Ivan?

**Mr DEAN** - I am looking for the case load, the back log, the cases that they are dealing with and I would like the educational side as well.

**Ms ARMITAGE** - If we have the break down of the 9397 - whether they are north, north-west or south - we might find that there is a lot more in one area.

**Mr BARNETT** - I will ask the secretary to make an additional comment.

**Mr COCKER** - Mr Dean, increasingly we are trying to be targeted and proactive with the work that the inspectors do. I do not want you to think that it is just responding to incidents when they happen. Mark has mentioned the targeted industries. That is done on the basis of that is where the risk is. That is where the most injuries occur. We have good data in this area and we really try to understand the industry, the businesses within the industry and the sorts of risks that are causing

injury in those areas. Then we try to target inspector activity to that. They might visit a particular business because we know that it is manual handling that is the key risk. We will then talk to them about their manual handling systems, safe systems of work, and whether they have a safe system of work in place so that workers do not get injured in the first place. Increasingly, that is what we are trying to get the inspectors to do because it is better to prevent than to have to respond and cure.

**Mr DEAN** - I would like a comparison over the years on the number of serious workplace events - accidents and deaths. Are we successful in our education? Whether our inspections of these worksites -

**CHAIR** - The minister said there was a 25 per cent decrease. Was that correct?

**Mr BARNETT** - Yes, for injuries over the 10-year period to 2015. I can give you the figures on deaths if you are interested. Workplace fatalities in Tasmania have dropped from 17 in 2003 to 6 in 2015, which is a reduction of two-thirds, and a greater percentage of reductions than in most other jurisdictions. It goes up and down in that period but that is where we were up to last year 2015.

We have talked about farming and manufacturing, as an area of special focus. In 2015-16 there were: 786 reported claims in the manufacturing industry, a decrease of 18 per cent on the previous year; 630 reported claims in the retail trade industry, a decrease in 3.5 per cent; and 576 reported claims in the construction industry, a decrease at 3.7 per cent. When injured, the return to work rate in Tasmania is 92 per cent, a little above the national average.

For the first three-quarters of 2016-17, 5 080 claims have been reported to date, 8 per cent lower than at the same point in the previous year. The current claim payment totals \$127.6 million, 3 per cent lower than the actuary projections for the quarter ending March 2017. They are the latest figures.

I add to the point that Mark made that we are trying to be more proactive than reactive. Simon made that point too. I want to make that point as a government. We are trying to head towards being more proactive - to look at where we can prevent. For example, Safe Farm Handling was launched at Agfest by Jeremy Rockliff and me and has \$600 000 in the Budget over the next period. This is a good initiative to help those on farms to be more proactive about health and safety in the workplace. It is an area of key focus for the Government.

**Mr FINCH** - You mentioned zoonosis, which is a disease that can be transmitted from animals to humans. Is that what your reference was to, or was it some public service jargon that we do not understand?

**Mr COCKER** - You are correct. It is certainly not public service jargon.

**Mr FINCH** - So is that is a situation you are dealing with?

**Mr COCKER** - We have dealt with. We are dealing with a lot of issues. That was one of the more specific issues.

**Ms LOVELL** - I have a few questions about the number of employees and the training provided. I think you said when we were talking about the number of inspectors, that they are all field based. Is that correct? Are all 31 based in the field?

**Mr COCKER** - That is correct. It also includes their mines inspectors.

**Ms LOVELL** - Through you, minister, you mentioned some training that had taken place and is planned for the future. I am not sure if you will have this information to hand, but perhaps if we could put this on notice. Could we have a list of the different types of training provided to the inspectors?

**Mr BARNETT** - Mark answered this yesterday. But perhaps you could answer about that training.

**Mr COCKER** - Since 11 May 2015, there has been a broad range of training opportunities provided for our inspectorate from forensic investigation training at the Rokeby Police Academy through to traffic management training for the majority of our inspectors; through to scaffolding, fork lifts, working at heights; conflict resolution; communications; negotiations; and project management. There is a broad range of training.

In July and September this year we will see specialist investigation training being provided by a work health and safety regulator from Queensland. Training is provided in the form of national forums and conferences which our inspectors and investigators attend. Fifteen inspectors attended with me a national inspectors conference in September last year in New South Wales. Another six inspectors attended a national investigators conference in Queensland in March of this year. We are always looking at finding smarter ways of engaging our inspectors in professional development.

**Ms LOVELL** - Thank you. Minister, is all of the training provided by registered training organisations?

**Mr BARNETT** - Again, it would depend on the circumstances. But I shall refer to Mark.

**Mr COCKER** - Yes, formal training is.

**Ms LOVELL** - Have any of the WorkSafe Tasmania inspectorates received formal training specifically in electrical installation, construction and demolition sites?

**Mr COCKER** - I am not aware of any specialist training in that regard.

**Mr BARNETT** - We can check that if you would like.

**Ms LOVELL** - Can you give us an update on the investigation into asbestos exposure at the Royal Hobart Hospital?

**Mr BARNETT** - Yes, I can. As I indicated earlier, safety across our workplaces is an absolute priority for the Government. WorkSafe Tasmania has acted quickly to investigate whenever concerns about asbestos have been raised. This why we are trying to be proactive with our asbestos-awareness campaign.

The redevelopment of the Royal Hobart Hospital is a very important project, as everyone is aware. When it is completed, it will support the health system big time. The Royal is an old building. It does have asbestos on the site. As a consequence, the project employs strict asbestos-

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management procedures which includes the use of independent occupational hygienists to undertake inspections and testing for asbestos prior to the commencement of work.

The THS is planning a comprehensive review of the Royal Hobart Hospital asbestos register to accurately identify all areas of the hospital where asbestos may be in situation. WorkSafe Tasmania has had significant interactions with employers and workers at the Royal Hobart Hospital re-development site since July 2015, including in excess of 500 physical attendances to the site. These visits include inspection, compliance and incident investigation activities. WorkSafe Tasmania has been assigned a senior inspector to this major construction site and is maintaining a regular inspection presence. I was there for a visit some months ago. WorkSafe Tasmania inspectors continue to work with the THS to ensure this work is carried out safely and will monitor progress on the work over the life of the project. I can answer any more questions in addition to that but that is the situation regarding the Royal.

**Ms LOVELL** - Can I just clarify that you said 500 inspection visits?. In what time period was that?

**Mr BARNETT** - Since July 2015, there have been 500 physical attendances to the site.

**Ms LOVELL** - Of the asbestos exposures which occurred at the Royal Hobart Hospital, how many have fallen under the jurisdiction of the Tasmanian Regulator and how fell under the jurisdiction of ComCare?

**Mr BARNETT** - I would have to check that; I am not sure if Mark is able to answer it.

**Mr COCKER** - Yes. Thank you, minister. All would fall under the jurisdiction of WorkSafe Tasmania.

**Ms LOVELL** - Does WorkSafe Tasmania measure the effectiveness of its hotline, including how many calls might be dropped before reaching an operator, the satisfaction of callers and any follow-up with complainants who have identified themselves?

**Mr BARNETT** - The first part of the question is very important. The hotline provides an important the service. In terms of the detail, I will pass to Mark.

**Mr COCKER** - Thank you, minister. WorkSafe Tasmania regularly surveys clients and stakeholders as to our effectiveness and our efficiency in so far as being a responsive regulator.

**Ms LOVELL** - What measures, through you minister, are you measuring in those surveys.

**Mr COCKER** - Client satisfaction, response times, grade of service in terms of the contact centre activity, Measures of reach and impact regarding outbound calls as well as inbound calls. We look at a broad range of standard metrics.

**Ms LOVELL** - Specifically again, through you minister, do you measure how many calls are dropped before they reach an operator.

**Mr COCKER** - Those figures are available.

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**Ms LOVELL** - Minister, are you able to rule out that WorkSafe inspectors are being discouraged from issuing notices and collecting asbestos?

**Mr BARNETT** - I am pretty sure that came up yesterday as well so we can definitely rule that out.

**CHAIR** - In light of that I will suspend for 11 minutes for a cup of tea.

**The Committee suspended from 11.28 a.m. to 11.49 a.m.**

**CHAIR** - Welcome back, minister and your team. I believe that Mark has some information in regard to a question that was asked prior to our break. Thank you.

**Mr COCKER** - Minister, in terms of reach and impact of the WorkSafe Tasmania inspectorate from the three years to the end of May this year, I indicated earlier that a total of 9397 businesses had been engaged with within that period by those staff. That amounted to a total of 17 830 specific matters that were dealt with within those businesses by those staff. Our inspectors are appointed as authorised officers under many statutes.

The range of issues dealt with within that period for those businesses by those inspectors: in the north, it was a total of 4784, including dangerous goods; long-service leave; long service leave state employees; shop trading hours; work health and safety matters; and worker's rehabilitation and compensation. For the north-west, there were 6286 matters of the 17 830. They touched on: dangerous goods; long-service leave; work health and safety, and worker's rehabilitation and compensation. For the southern region, it was a total of 6760, and again: dangerous goods; explosives; long-service leave; work health and safety, and worker's rehabilitation and compensation. A broad range of matters was discussed with those 9397 businesses.

Insofar as proactive matters, incident response, investigations and complaints are concerned, within that same period they attended 4784 in the northern region: 28 were complaints, six were incident-accident response, and 4750 were proactive. For the northwest: 6286. Of those 111 were complaints received from workers or others; 48 were incident responses; and 6127 were proactive inspection activities. For the southern region: 6760, 2050 were complaint related; 946 were incident response; and 3764 were proactive inspections.

As I mentioned earlier, our priority industries are agriculture, forestry and fishing, construction, healthcare and social assistance and manufacturing. I have a breakdown of the 17 830 individual line items, for each of those areas for each region for the past three years if that is required.

**CHAIR** - Can we have that tabled? Is that okay, Mr Dean, if we get that tabled?

**Mr DEAN** - Yes, absolutely.

**CHAIR** - Is that all right, Mark, if you table that particular document?

**Mr COCKER** - Through the minister -

**Mr BARNETT** - Yes.



**CHAIR** - I think that would be very useful. We know that Mark is very particular about data and information. The committee is very appreciative.

**Mr DEAN** - When does long-service impact on WorkSafe? Are people not getting their long-service leave? Is that it?

**Mr COCKER** - That is correct.

**Mr DEAN** - I was just wondering where it would fit with WorkSafe. It is not being given. They are not getting their entitlements.

**CHAIR** - Thank you very much.

#### **4.4 Consumer, Building and Occupational Services -**

**CHAIR** - WorkSafe is concluded and again we appreciate -

**Mr COCKER** - Mark, Worksafe Tasmania concluded.

**CHAIR** - Thank you concluded and again we appreciate your contribution. Thank you. We will let Mark get back to the real work.

**Mr COCKER** - Oh no, this is real work. It is important.

#### **4.4 Consumer, building and occupational services**

**Mr FINCH** - On page 129, in Table 5.10, is it just coincidence that the number of consumer complaints resolved within 60 days sits at a constant 95 per cent over two fiscal years and also for the forward Estimates?

**Mr BARNETT** - Through you Chair, can I ask Dale Webster, Director Consumer Building and Occupational Services, to respond please? .

**Mr WEBSTER** - It is not coincidence; it is hard work. Across those years there has been a fair increase in workloads so to maintain that 95 per cent has been extra effort. but we see that Resolving consumer complaints as quickly as possible is the objective. You will see the out years are in fact targets, so our target is nearly five and we have achieved that over the two years that are in the state Budget.

**Mr FINCH** - Because the figure has occurred before so it is a good indicator of where you likely to be.

**Mr WEBSTER** - That is right. Exactly.

**Mr FINCH** - I am curious. In the rental bond claims paid within 30 days, it is in a similar figure of around 90 per cent. Again I am a bit puzzled by the constancy of the numbers. Some might expect a variation in demand.

**Mr BARNETT** - Thank you for the question. I will pass it to Dale.

**Mr WEBSTER** - I did jump up to 91 per cent. We have achieved that in one year, but 90 is our target. If we achieve that, then we have done quite well.

Rental bonds is set lower than consumer because firstly, it is fewer days, and secondly you are getting information from people, such as photos. We are relying on information coming in to be able to resolve disputes. That is why it is set slightly lower than consumer even though the timeline is half.

**CHAIR** - What number equals that 90 per cent of those rental bonds?

**Mr DEAN** - What is the amount of money in the bond account?

**Mr BARNETT** - Yes. Since their establishment in 2009, just under 150 000 rental bonds have been lodged with the rental deposit authority. As at 10 May 2017, just last month, 44 500 bonds are held with a current value of just under \$42 million.

**Mr BARNETT** - In the period 1 May 2016 to 30 April 2017, the RDA processed an average of 1544 bond lodgements and 1700 bond claims per month to reach a total of 18 529 lodgements and 20 320 claims for the year.

**Mr DEAN** - Does the interest on that money go to the department?

**Mr BARNETT** - - Do you want to address that Simon.

**Mr WEBSTER** - Yes, the money is held in trust. The interest from the trust account is paid to the Department of Justice for the administration of both the rental reposit authority, the staff that are dealing with the ins and the outs, and the rental tenancy commissioner's office - the staff who are dealing with the complaints.

**Mr DEAN** - Does that cover that or is there extra in that account? Is it enough to do that?

**Mr WEBSTER** - Through the minister, it is not quite enough. Interest rates are quite low at the moment so there is a mechanism within the legislation that allows us to make a claim against surplus in the Property Agents Guarantee Fund. In 2016-17 we made a claim of \$450 000 against that fund.

**Mr FINCH** - This output is responsible for the provision of services for the office Consumer Affairs and Fair Trading. What are consumers main areas of concern?

**Mr BARNETT** - That is a good question. A very broad range of areas is affected; in fact it is huge range. It is like Mark's answer to an earlier question. I will answer in terms of the specifics. I will pass the breakdown to the Director for Consumer Affairs, who has many hats and this is a very important one.

**Mr FINCH** - Putting on all those different hats on too, there is a bit of wear and tear occurring.

*Laughter.*

**Mr WEBSTER** - As the secretary would know grass, does not grow on a busy track.

In the year to the end of 30 April 2017 we dealt with \$20 762 inquiries across CEGOS. The biggest areas are inquiries about security agents, security industry, occupational licensing enquiries, Residential Tenancy Act - minimum standards and all sorts of issues - and consumer law itself. That is dealing with things such as lay-bys, refunds and consumer guarantees. The majority of queries are dealt with by our call centres. It is the provision of information. The areas of escalation, where we get more directly involved, account for around 10 per cent of that number. They come to the office and are dealt with. The biggest area of compliance in the consumer space has been in the area of false or misleading conduct by traders.

**Mr FINCH** - How many are involved in Consumer Affairs? Is it in the office here of the building and occupational services or do you have a separate cohort for Consumer Affairs.

**Mr BARNETT** - Dale has many hats and he is best to answer that question.

**Mr WEBSTER** - We have a model of training our staff right across this. Our model is twofold. The first point of contact for all of consumer building and occupational services, including consumer affairs, is a 1300 number, which is within Service Tasmania. The staff there are trained across motor vehicle registry et cetera but if you ring the specific 1300 number then it is answered as consumer affairs. Of the almost 30 000 calls, 26 000 are dealt with simply by someone on the end of the line giving information to the consumer, directing them to somewhere on the website. About 4000 of them have been escalated.

There are four FTEs who are dedicated consumer affairs FTEs within the office across a unit of our compliance team, which is 13 staff.

**Mr FINCH** - So, those four handle 10 per cent of the calls which are activated by Consumer Affairs, so the four handle the 10 per cent?

**Mr WEBSTER** - The 13 handle the 10 per cent. Our estimate is that we have to specifically pay for four FTEs but we train the staff across multiple areas.

**Mr FINCH** - With all those phone calls coming in, are there wait times? Do you register the amount of time people might be waiting? What sort of numbers do you have behind the phones to respond to calls that come in?

**Mr WEBSTER** - Those four staff, who we now use for escalation, had to answer all of those calls. We operated that call line from 10 a.m. until 4 p.m. with an hour break for lunch. Since we moved it to a full-time staff call centre, we have seen an 11 000 increase in calls. Because of the number of staff in Service Tasmania, all of the calls can be answered now.

I cannot give you a specific number because it will vary day-to-day within Service Tasmania. But what I can say is that after one minute's waiting, you get the opportunity to hang up and automatically be called back after you have called the 1300 number. Our dropout rate has diminished to very low because when you press six it records your details. Service Tasmania will auto call you back as soon as your spot becomes available. That has increased our penetration.

**Mr BARNETT** - I back Dale's comments. This is a better system, we are getting more calls. We are more effective. People want to call at lunch time so we have to provide the opportunity across the board. It is a good improvement.

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**Mrs ARMITAGE** - My questions are a little different to what they have been in the past. Mr Webster and the minister will appreciate where I am going. I am sure they will have an answer for me.

We met in the last couple of months about the building changes. Can you tell me where we are at with that and whether we still have the same problems that were identified by the building designer and tradesmen at that stage, have they been addressed?

**Mr BARNETT** - So, CPD in particular?

**Mrs ARMITAGE** - I have that question as well but this one concerns the other issue. You might recall that we met with the Treasurer with regard to the changes in the small builds and things with council, that we were cutting tape.

**Mr BARNETT** - You are talking about the building reforms.

**CHAIR** - The building reforms were the issue we had at that stage. We can build a shed now if it is small we do not need to get a permit.

**Mr BARNETT** - There have been very significant changes from 1 January.

**Mrs ARMITAGE** - We did have some concerns with some contractors and designers.

**Mr BARNETT** - That is right. Look, we have come a long way. You mentioned sheds, Chair, so thank you for that. For those who want to build a shed, we can add more about that.

All this is about balancing the rights and responsibilities of the various parties. We are reducing the red tape, streamlining the process, making it easier, faster and cheaper to build. Having said that, all this has to roll out and be implemented. That is taking time. The Director of Building Control has been very proactive, at my request and instigated also by the department, in working and consulting with the key stakeholders to have ongoing feedback and refinement. In terms of that finetuning, we have a reference group in place, which is assisting the Director of Building Control. I will let him speak to that.

**Mrs ARMITAGE** - Have we addressed the issues raised at our meeting?

**Mr BARNETT** - Yes. I wonder if the director could address that specifically.

**Mr WEBSTER** - Ms Armitage, the first of those questions was the interaction between local government and building surveyors, as I understood it.

We have brought the building surveyors and permit authorities, which are the local government staff that we deal with, together in Launceston for forums to try to work that out. We provided a dedicated help line within an office for building surveyors and permit authorities to ring and get direct advice. We have visited 25 councils, 106 council staff to speak to them directly. We now, at the minister's instigation, have a fortnightly telephone hook-up with the key industry players. The local government association are included in that, as well as the MBA, the HAA, Institute of Building Surveyors and a few others. We are almost taking the temperature of what is happening so we can respond.

Through the three years of building reforms, we had reference groups, one for local Government, one for technical, one for the industry associations and one for consumers. They continue and have met recently in early May. They have asked for revisions for the directors to determine. We are now considering those revisions and have those in place in early July.

We have also issued clarifications with increased fact sheets and the like. The minister asked us to make our website easier to get information from. That is responding to the feedback from that meeting.

**Ms ARMITAGE** - How are we going with the problem to do with continuing professional development? It was for plumbers and builders and the concern they raised regarding how they actually had to get their points, and the cost to be attributed to them doing it.

**Mr BARNETT** - That is right. There were a number of issues raised. Apart from the cost, was access and relevant courses available. We have responded in a very comprehensive way.

**Ms ARMITAGE** - Sorry, for clarification, when you say 'cost' it was cost to their business in time lost, not cost of the course.

**Mr BARNETT** - Yes, that is right. Hence my comment about access, because previously we had been looking at three parts of the state. We have now broken it into 10 regions. There are courses and opportunities available in the 10 regions, which makes it easier to access courses and training. We have refocussed on the relevance of the courses. Can I summarise what we have done, if I possibly could?

**Ms ARMITAGE** - That would be good.

**CHAIR** - If it is brief, yes.

**Mr BARNETT** - The websites are better reformed, updated and still being improved. We have got importantly, a moratorium on the compliance action on CPD for a period of up to three years from 1 July 2016. That is important to allow people to become more familiar with the process. Consumer Building and Occupational Services resources to the regional areas, not just the three areas, but now 10 regions covered.

Web cam viewing so training can be done online. We are working more closely with industry associations for online recording systems to take the pressure off those people doing the course to do the recording online. They do not have to carry around hard copy papers the whole time. They can do it online. There is a better quality and range of products in the marketplace of courses. Rather than just doing this or this, there is a bigger range available for those in the marketplace.

For other committee members information, this is for plumbers, gas fitters and electricians. It has been in place about 10 years for builders and building construction operators. In Connections Magazine there is a special supplement focussing on CPD to make sure they are fully informed. A single point of contact at CBOS for taking calls.

I mentioned the online learning activities, additional educational resources, and the CBOS update to the Toolbox, used by those in the trades for recording their online learning. That is a quick summary. I will check if Dale wanted to add to those initiatives.

**CHAIR** - There could not be much more to add.

**Mr BARNETT** - It is pretty comprehensive, and this is an important reform and challenges. We have taken on board the feedback and I have met with electricians and the plumbers, not just in the north, around the state. We have had feedback direct to the director's office. We are now responding to that feedback and these initiatives are proactive responses. We are trying to make it helpful. I am from a small business background, so I understand and can relate.

**Ms ARMITAGE** - The meeting we had at the tram sheds where several hundred people there -

**Mr BARNETT** - Yes, we did.

**Ms ARMITAGE** - They have given feedback on this?

**Mr BARNETT** - Yes, absolutely. Andrew Foley, in particular.

**Ms ARMITAGE** - They are reasonably satisfied?

**Mr BARNETT** - Always challenging, Andrew Foley and a number of people on his group are part of a forum, feedback group

**Ms ARMITAGE** - The plumber's alliance or -

**Mr BARNETT** - Yes, representatives of that group. Dale has been meeting with them and getting their feedback on a regular basis. Would you like to add to that?

**CHAIR** - As brief as possible.

**Mr WEBSTER** - We have set up a specific CPD reference group. Representatives of plumbers, electricians and gas fitters hooked up by phone on a regular basis to give us feedback. The allied trade group you referred to from Launceston are a part of the feedback group.

**Ms ARMITAGE** - They are a very active group.

**Mr WEBSTER** - That is right. They are able to give us comments on what we are doing on the initiative and that group is having positive interaction and feedback at the moment.

**Ms ARMITAGE** - I have not had a call for a while.

**Ms LOVELL** - My supplementary question has been answered but if I may ask a question.

How many building surveyors have put up their charters since the introduction of the new act, in particular in relation to notifiable or work?

**Mr BARNETT** - Yes, we had that question yesterday and my answer was along the lines it depends on the circumstances. The building surveyors are an important part of the building and construction sector. They are a part of the forum in the feedback group that meets with Mr Webster and the department on a regular basis. It is fair to say they have had input. We have responded and it depends on the circumstances and it depends on the building surveyor.

**Ms LOVELL** - Can you detail any other areas that have experienced price increases since the introduction of the new act?

**Mr BARNETT** - No, I cannot.

**Mr DEAN** - How many complaints in relation to builders and new homes?

**CHAIR** - The biggest complaint is you cannot get one.

**Mr DEAN** - Also the insurance requirement of builders to maintain some responsibility for issues within new buildings. The question raised with me is renovations. Are there similar requirements with renovator work? One person came to me, he had renovations to a shower and now it is necessary to pull the shower out and redo it again. Is there a requirement there for renovators?

**Mr BARNETT** - Yes, I pass to Mr Webster for your two part question.

**Mr WEBSTER** - Complaints to our office in terms of buildings, we had 281 inquiries, specifically on building related issues.

**Mr DEAN** - This is the last financial year?

**Mr WEBSTER** - Year to 30 April 2017. Seven were conduct complaints, that is the conduct of the building, 45 progressed to formal investigation of what was happening in that building. That is a total of 333 complaints dealt with or closed.

**Mr DEAN** - How does that compare with previous years? Also, whether or not these complaints are against one or lot of builders. Do any builders stand out in complaints?

**Mr WEBSTER** - That is reasonably stable over the last three years, but it is a big drop on the previous 10 years. That reflects a change in how we operate. The new legislation encourages this. If the homeowner or the owner of the building is dealing directly with the builder rather than us, then a third party intervention, is it a small number of builders specifically? The short answer to that is yes. It is not widespread. Many builders get complaints. It tends to be recurring numbers.

**Mr DEAN** - The advice I am getting, these builders are giving a bad name to others. What courses of action is able to be taken where multiple complaints against the same builders or company in the building industry. What is the process?

**Mr BARNETT** - The process is in accordance with the law. The Director of Building Control is active in that place. There are some examples Dale might wish to give and I do not want to target anyone in particular. There are arrangements in terms of licensing and if there is a breach of the law the Director of Building Control has the ability to act. I will pass to Dale to respond because it is an important area, but I do not want to target or name anyone in particular.

**CHAIR** - Can I suggest if it is an individual builder the member speaks directly.

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**Mr DEAN** - No, I do not know of any individual building and I am just raising this as a question. I also want to thank the director for his involvement in a matter I was dealing with in Launceston previously. That was satisfactorily resolved and a great result.

**CHAIR** - Alright. Well, if we do not have any specifics.

**Mr DEAN** - What action is taken where we have multiple complaints against the same builder or company?

**Mr WEBSTER** - The new legislation as part of the building regulatory reforms was to move the licensing from the Building Act 2016 to the Occupational Licensing Act 2005 which has given me a new set of tools.

Effectively under the old building act, it was almost impossible to remove the license or as it was called then accreditation of a builder. We had only achieved it in one or two cases over the 12 years of operation of the act.

Under the occupational licensing act at every renewal the compliance with the legislation and the requirements is a consideration of the renewal. Under that legislation it is now possible as a license is coming up for renewal, if you have had lots of activity around compliance over the period of your license then the license might not be renewed. It is one of the tools become available.

**Mr DEAN** - Does the same thing apply to renovators? if somebody is carrying out renovations is there any requirement for the builder or the renovator to maintain some obligation over the similar period to a builder? A builder is seven years I think.

**Mr WEBSTER** - The Residential Contracts and Dispute Resolution Bill 2016 sets a monetary figure of \$20 000. If the contract or renovation is for more than \$20 000 then the same provisions apply to that renovator as apply to the builder. Less than \$20 000 and more generally in the example you have quoted of the shower, is actually covered by the Australian Consumer Law. You are contracted to get a consumer product in that shower, they need to make sure that complies with the consumer guarantee of being fit for purpose.

**CHAIR** - So there is a process. Thank you. Now we will move to the next area with corrections, thank you minister.

**Mr BARNETT** - Can I thank on the record the departmental officers here with me today.

### Minister for Corrections

**CHAIR** - Anyone who is leaving us we thank you for your efforts and contribution.

Minister you are likely to have an overview and would you please introduce your team at the table.

**Mr BARNETT** - I will pass to Simon, the secretary of the department to introduce all the various officers at the table.



## UNCORRECTED PROOF ISSUE

**Mr OVERLAND** - I think everyone knows Nick Evans who is the Deputy Secretary, Corrections. Brian Edwards who is the Director of Prisons. Can I introduce Ian Thomas who is the Director of Prisons Designate, so Brian's successor.

**CHAIR** - And the first time at estimates so welcome.

**Mr THOMAS** - Thank you.

**Mr OVERLAND** - And I think everyone knows Neale Buchanan who is the Director of Community Corrections.

**CHAIR** - We do. Nice to see you again Neale. Thank you minister, your overview.

**Mr BARNETT** - I would like to put on the record my sincere thanks to my predecessor, the Honourable Vanessa Goodwin, for her dedication and passion in this role as Corrections Minister and I am Acting Corrections Minister. I admire her and her passion and dedication wholeheartedly and I know on behalf of the Government, we wish her all the best.

**CHAIR** - We would like to support that as members and colleagues of the Legislative Council we acknowledge the sterling effort. If there is any way Dr Goodwin can be watching, she will be and you will all be scored at the end of it.

**Mr BARNETT** - Now we have a little pressure too. The Tasmanian Prison Service will receive in excess of \$26 million over the next four years to fund a range of projects and programs including a \$100 000 to employ parenting and family reintegration facilitators, \$250 000 for prisoners in securing transitional accommodation, \$5 million in capital funding for a new prison infrastructure over the next three years. That is in part, firstly the increased capacity at the Ron Barwick Prison minimum security for 40 extra beds. We have four additional independent living units on the Risdon site at the O'Hara cottages, providing 16 extra beds. You have the new mother and baby unit at the Mary Hutchinson Women's Prison which will provide more appropriate environment for babies within the prison but also more capacity for other women's prison.

That is positive news. With that capital investment there is ongoing recurrent funding to support that, with a digital transformation priority expenditure program. The Department of Justice has been allocated an indicative \$16.6 million over five years, commencing in 2018-19 and to be called Justice Connect. It is a real opportunity to replace inadequate case manager systems in the courts and systems within the prison system. It will ensure an integration of those systems over time with \$150 000 allocated in this financial year.

Staffing levels since the Liberal Government came to office has increased markedly, it has increased by 57.64 FTE's within the prison service and within community corrections by 9.13 FTE's. A total of 66.77 more FTE's than when we came to Government. Valuable staff members doing what is important. In addition there is an independent custodial inspector, an important initiative. I met with him and various members of his office just last week. Again, I commend the former minister for that initiative and bringing legislation into the parliament to create that new role.

The inspector will have a role relating to safety, custody, care, well being and rehabilitation of prisoners in the prison system and of course detainees across the prison service and Ashley Youth

Detention Centre. Stakeholder engagements and meetings have been held with all key stakeholders and the response to the custodian inspectorate has been overwhelmingly positive.

In conclusion, it is a challenging portfolio and the funding initiatives in this Budget allow the Correction's system to respond in a flexible way to the changing demand. I am happy to try and answer questions together with the support of the officers here at the table.

**CHAIR** - Thank you minister, I am going to head straight to one of members who continues to have a strong interest in this area as we all do. Mr Dean is going to take the lead.

**Mr DEAN** - An update on where we might be with the northern prison?

**CHAIR** - Are there plans in place to build or refurbish that?

**Mr DEAN** - How serious is the Government about proceeding with another prison?

**Mr BARNETT** - It is a good and a fair question. In recent weeks there has been discussion at the public level with the Opposition announcing a \$40 million commitment to a northern prison. That is on the back of a report which was done by the previous government 2013 of \$137 million for a northern prison. So they had a report, their own report, that said \$137 million and then in addition to that \$30 million for recurrent funding for a northern prison. That was in 2013 and that is a report that has been referred to and so we are totally at a loss as to why they would just pick out \$40 million for a northern prison. Having said that, it is an important issue and under investigation by the Government. That 2012-13 report did provide some information, obviously to the previous government, that considered the replacement of the Launceston reception prison as well and a development of a northern prison through the Department of Treasury and Finance, the Structured Infrastructure Investment Review Process. It is a formal official process, you are probably familiar with how that works through the Department of Treasury.

The Government does acknowledge the Launceston Reception Prison is an aging facility that will need to be upgraded or replaced in coming years. I have toured there not quite recently and absolutely agree and support that assessment. In terms of works to be completed by the Launceston Reception Prison, some of those works were completed in 2014 to rectify minor building faults and to address urgent safety and security issues. Those issues included risk to prisoner's safety and potential security issues. The process of developing options in a business case for a northern prison complex will continue. However in contrast to the Opposition, as I have indicated, we are going to be very deliberate and considerate and that needs to be looked at very carefully in a comprehensive way, looking at our criminal justice system as a whole. Rather than just picking figures out of air.

**Mr DEAN** - So obviously at this stage the sites and things have not been addressed at all. Is there a team working on it?

**Mr BARNETT** - We have a criminal justice system, so you have the courts and the prison system is Hobart at Risdon, the remand centres in Launceston and Hobart and the court system across the state. A criminal justice system needs to be considered in context and the impact, for a northern prison in the north and how will that impact on the south. For example in the north, would it be maximum, medium, minimum? What sort of capacity would you want? The demand on the remand prison in Launceston and how would that flow through to the potential northern prison. You would need to have ongoing and careful consultation with the key stakeholders across government, for example the Tasmania Prison Service Community Corrections, the department

itself. Not to mention the various stakeholders in the community who do terrific work to support the prison. There is a lot of work to do. It is being investigated. On behalf of the Government, I am taking it very seriously and will continue to do so.

**Mr DEAN** - My next question relates to the number of prisons. Our prison currently is not at absolute maximum but it is getting close to the total numbers it can hold and handle. It creates difficulties for them with the numbers currently there. What is the Justice Department doing and prisons to keep these sentenced prisoners out of prison. The home detentions, electronic bracelets and that type of activity. There are many people in prison who should never be there. We are talking about traffic offenders, drunk drivers and all of these patrons (?) should never be in a prison. Now they are for sentenced to prison, they ought to be at home, being monitored and controlled by electronic options. That is where they ought to be.

**CHAIR** - Do you put financial fraud in that basket as well, interestingly?

**Mr DEAN** - I do. White collar crime, I do. I put that in that category as well, absolutely. I put in that category most people under the age of 20 years as well. I see prison as a place for 19- and 20-year-olds only in extreme cases. What are we doing in that area.

**Mr BARNETT** - That is a two-part question, maybe three parts actually.

**Mr DEAN** - It is.

**Mr BARNETT** - Can I just deal with the capacity issue to give you an update so you know exactly where we are?

**CHAIR** - We normally have numbers.

**Mr BARNETT** - Yes, I have the numbers.

**Mr DEAN** - I appreciate some of this came out yesterday.

**Mr BARNETT** - That is okay. I am a former senator. I know the important role of an upper House in accountability and scrutiny, so I totally support what you are doing and the need for scrutiny. This is part of our democratic system at work. No problems there. We are at 90 per cent capacity. From 23 May 2017, the utilisation rate was 90 per cent.

**Mr DEAN** - Is that including females?

**Mr BARNETT** - Yes, 40 women and 549 males as of 23 May 2017. It is around 90 per cent; it goes up a little bit and it goes down a little bit. That is pretty much the average over the last 12 months. I am happy to give more detail if you would like. I have the daily average here. On 30 April 2017 it was 573. On that day it was 524 males and 49 women. The daily average over 2015-16 was 480 males and 44 women. That is the numbers there. I am happy to provide more information if you would like.

**CHAIR** - We normally ask, what is the price? What is the cost per prisoner? It is usually good information even though most of us need to be sitting down.

**Mr BARNETT** - I have the figures. It is \$312 a day. That is above the national average but it is very similar to the ACT, which is \$308 a day. Of course that goes up and down a little bit, but that is the cost per prisoner per day. I hope that is helpful to the committee.

Could I address the second part of Mr Dean's question?

**CHAIR** - Absolutely. I just thought we should get those figures and numbers out of the way.

**Mr BARNETT** - Yes. I am happy to provide more, no problem at all. Mr Dean is right, we want to do whatever we can to keep them out of prison and look after them and at the same time ensure the community is protected. We have a 100 per cent priority on protecting our community and keeping it safe and secure.

I have an example of the court-mandated diversion program. We are increasing the cap. At the moment, 80 participants are involved in that. We are increasing that to 120. That is drug treatment orders to treat substance abuse, that sort of thing. They could otherwise go to prison but, in this instance, we have changed the law and are putting in place mechanisms to support those that have issues with drugs. A \$2.4 million commitment per annum has been given to support that. That includes \$1.3 million for the expansion of the program to cater for increased demand as a result of those drug treatment orders. We support that. It is increasing from 80 to 120 participants. I am happy to provide more information.

You have also referred to the home detention and the electronic monitoring. I have some information on that. I just mention we do support the phasing out of the suspended sentences of imprisonment. Part of that and the second stage is legislation to be introduced this year to implement the following:

- (1) replacing probation orders and community service orders with community correction orders;
- (2) to provide for courts to impose home detention orders - which is something I know you are very interested in; and
- (3) removing suspended sentences as a sentencing option, unless there are exceptional circumstances, for offenders who commit certain serious offences, who breach suspended sentences and imprisonment.

The final phase of the reform will include the extension of drug treatment orders to include offenders whose offence is linked to alcohol abuse and the complete abolition of suspended sentences of imprisonment as a sentencing option.

With respect to home detention and specifically electronic monitoring, we are totally committed to ensuring the community feels safe and is confident. We are looking at ways to improve sentencing, including the introduction of alternative sentencing options such as home detention electronic monitoring as part of our policy to progressively phase out suspended sentences.

The Sentencing Advisory Council identified options for reform in its report of 30 March last year. The legislation I have referred to for this year will introduce those new options. We are liaising with Tasmania Police as well to make sure we get the balance right. The department has

met with suppliers of electronic monitoring equipment and software, and they are continuing to work closely with Tasmania Police and other agencies to consider opportunities for the use of such technology.

The Department of Justice is now working to develop a best-practice model for home detention that will form part of the second tranche of the reforms to phase out suspended sentences and to introduce new sentencing options in Tasmania.

That is a bit of an overview. You have touched on some key areas that the Government is planning to legislate this year. It is all part of our plans to phase out suspended sentences and to put in place measures to keep them out of prison while keeping the community safe.

**Mr DEAN** - While I am on that, could I raise the issue of parole. We have had issues that come to mind with what is happening on the mainland. If you read the headlines in the printed media, they are tightening up on parole being offered to certain individuals. Questions have been asked about the person who was shot the other day by police as to why he was on parole. Does that have an impact on what we are doing in this area here in this state about parole? I take it that the custodial inspector would be a part of the parole process?

**Mr BARNETT** - No, the custodial inspector is not involved in that regard. I can talk more about the custodial inspector, who plays a very important role, but regarding parole -

**Mr DEAN** - I would like a bit more on that. I would like to know the number of people we currently have on parole and how that number is tracking over the years.

**Mr BARNETT** - It is 94 on parole at the moment but I can give you more information. We are supportive of the federal government's approach to ensure a very strict and strong regime to protect the community.

What happened in Victoria was a tragedy.

**Mr DEAN** - On that point, the Prime Minister has that on the agenda for the COAG meeting tomorrow as I understand it.

**Mr BARNETT** - The Prime Minister has. It will be in Hobart tomorrow. There will be a clear focus on it tomorrow, with the Premier and many others there. We are very supportive of where they are going but it depends on the detail and what they are proposing. In keeping the community safe, the push for stronger parole laws for terrorism-related offences and serious violent crime is really important.

As a government, we expect parole to be granted only where there is minimal risk to the community. It is not a right and there should be no expectation against early release where someone is considered dangerous. In the case in Victoria, that was a very obvious concern. I take on board your concerns. We are responding and that meeting will be held tomorrow and then further decisions will be made.

**Mr DEAN** - Can the public rest satisfied that those 94 parolees we have out there are being policed, for want of a better word, in the right way? In other words, with parole come conditions. Are they being policed in the way they should be, to ensure that all of these people are being kept a close eye on?

**Mr BARNETT** - Yes, it is a very important question and I will pass to Nick Evans to provide more details.

**Mr DEAN** - How it is done and the number of people in that area doing it.

**Mr EVANS** - The staff are in Community Corrections and there are a number of parole officers - Neale Buchanan might be able to give us the exact number of people who are charged with the supervision and ensuring that people are meeting the conditions of their order. The Parole Board itself is also quite active in monitoring parole. Last year, there were 34 people on parole that had their parole revoked because they were not complying with the conditions of their order. When you consider there were 94 offenders subject to parole, 34 revocations shows that there is quite active monitoring of those circumstances.

**CHAIR** - Word should get around then.

**Mr EVANS** - Yes. There were 208 or applications for parole considered by the Parole Board last year and 75 of them were actually granted. The process itself is rigorous and the monitoring of it is also rigorous. However, it is not without risk.

**Mr DEAN** - We understand that but the public want to understand that they are being monitored, that their conditions are being policed and if they infringe them they are likely to go back in.

**Mr EVANS** - As well as the 34 revocations, 61 persons on parole were also called back before the Parole Board to explain what might have been seen to be variations from the conditions of their parole and to face the Parole Board to explain. As a result of that, 65 parole orders were varied by the Parole Board. Short of sending someone back to prison, they can also vary the order if they think that is required.

**Mr DEAN** - I have many questions, we will go to other members at this stage and perhaps I can get a couple at the end.

**Ms LOVELL** - Minister, how many vacancies are there currently for correctional officer positions?

**Mr BARNETT** - We had similar questions yesterday; I will pass to Brian Edwards.

**Mr EDWARDS** - Currently we have 20 vacancies for correctional staff.

**Ms LOVELL** - Minister, what is the turnover for correctional officers? How often are correctional officers leaving their position?

**Mr THOMAS** - Our churn rate this year, so to speak, is around one a month. We are forecasting that we will lose 12 staff during the financial year and that has been pretty consistent for about the last three years.

**Ms LOVELL** - I have one other question and this is related to a question that was asked yesterday. Minister, yesterday you were asked about assaults on correctional officers. I believe that the year-to-date figure was one serious assault on a correctional officer.

**Mr BARNETT** - I think that is correct, from memory, from yesterday.

**Mr EDWARDS** - One assault, not serious.

**Ms LOVELL** - Can I ask what the definition is of assault?

**Mr BARNETT** - Yes you can.

**Mr EDWARDS** - There are a couple of categories. The serious assault is when an officer spends more than 24 hours in hospital. Anything other than that is just assault.

**Ms LOVELL** - Is it involving physical contact between the inmate and correctional officer?

**Mr EDWARDS** - Obviously, if you spend time in hospital then it is probably because of a physical attack. If you spend more than 24 hours within a hospital environment, we class that as a serious assault.

**Ms LOVELL** - What then is the definition of just assault, not serious assault? When you say there has been one assault on a correctional officer in year to date -

**Mr EDWARDS** - Any assault where you do not spend 24 hours in hospital.

**Ms LOVELL** - So does that include assaults with bodily fluids, spitting, blood, faeces?

**Mr EDWARDS** - It is usually physical contact.

**Mr DEAN** - The same definition as applies under the Police Offences Act and Criminal Code, I would say.

**Ms LOVELL** - So it is physical contact only? Okay. Do you have rates then of the number of incidents that have involved correctional officers being exposed to bodily fluids by inmates deliberately?

**Mr BARNETT** - I will just check if that is available. While that is coming through, I want to make it very clear that in the Government's plan with respect to serious assaults on frontline workers we have tried very hard to legislate to protect frontline workers whether it be ambulance or others. In our legislation we have also included Tasmania Prison Service officers. Serious assaults on frontline workers are completely unacceptable, that is our position. We have put legislation forward to implement that but to date that has not been successful. It remains a top priority for the Government.

**Ms LOVELL** - I have a question relating to those comments. Was the legislation that was before Parliament recently around mandatory sentencing for serious assaults on correctional officers?

**Mr BARNETT** - That is my understanding - I do not have the actual legislation in front of me - certainly for mandatory minimum sentences for serious assaults on frontline workers. It is consistent with our election commitment and we wanted to extend that law to correctional staff, ambulance officers, paramedics, nurses, midwives and child protection workers.

## UNCORRECTED PROOF ISSUE

**Ms LOVELL** - Had that legislation applied, there would not be any assaults this year so far on correctional officers that would have been covered by that legislation?

**Mr BARNETT** - Serious assaults as that is what the definition says.

**Mr EDWARDS** - For the number of serious assaults our target was nil, and the result for 2016-17 was nil. For the number of assaults - prisoner on staff - which would include bodily fluids up to this date our target was 10 and we had one. That would include bodily fluids or physical attack.

**Ms LOVELL** - Thank you.

**Mr EVANS** - That was at 31 March.

**Ms LOVELL** - From the 12 months prior to that?

**Mr EVANS** - No, that would be from July.

**Mr EDWARDS** - That would be year to date, so if there has been any after one that would go to another term.

**CHAIR** - I have a question in relation to prison transfers. Did we take any transfers or release transfers, in or out, and do we have any numbers to date?

**Mr EVANS** - We might need to take that on notice. I think we have had small numbers.

**CHAIR** - I was involved in a transfer in and I have always been interested in this. It was a long process. We bring some home and we send some back.

**Mr BARNETT** - Yes, is the answer, they are transferred. Arrangements are in place to transfer prisoners internationally as well as interstate. That does occur from time to time, I would imagine between some countries. There are strict protocols in place. You cannot just go and do it, it has to be carefully regulated, that is for sure; interstate likewise.

**CHAIR** - I am happy to take that on notice.

**Mr BARNETT** - This does come up from time to time so I am totally across what you are asking about. Do we have numbers?

**Mr EVANS** - To be absolutely sure, we need to take it on notice but my recollection is that this financial year there has been one .

**CHAIR** - Transfer out or transfer in?

**Mr EVANS** - That is in.

**Mr BARNETT** - We will confirm that with you.

**Mr FINCH** - This is a perennial, certainly for the member for Windermere and I. He has probably pursued this over the past 10 years so Mr Edwards knows what is coming. We have had



concern over many years about the overtime rate, our observation being that perhaps there could be more staff employed rather than utilise the same working overtime. I do not think it is a good situation for people in the long run. There had been opportunities explored by the member for Windermere and an idea of how to perhaps create a reduction in that situation. I am curious about how that circumstance is going and whether we have more control over the overtime rate being expended in the prison system.

**Mr BARNETT** - I can start and then pass to Mr Edwards to answer. I appreciate the question and the interest. There is a lot of reform that has taken place within the prison system. This is a clear area of focus for the prison system in addressing these issues. Implementing change requires a lot of support, skill, experience and effort. It is taking time but we are looking forward to ongoing improvements in tackling the underlying causes of overtime through operational reforms. This is a challenge. It includes, for example, amending staff structures, adaptive rostering practices and comprehensive absence management strategies. However, an increasing demand for hospital escorts, constant observations for prisoners and remandees for medical reasons, and additional shifts required for the increase in prisoner numbers continue to put upward pressure on the prison service overtime costs. You can understand why.

It is important to note there has been a significant drop in overtime costs at the Risdon Prison complex, and also for Launceston Reception Prison in comparison with the same period as last financial year, and a minor decrease overall. If not for the increase in prisoner numbers and additional overtime pressures as mentioned above, we would be reporting an even better scenario. That is an overview but for the more specific details, I will pass to Mr Edwards.

**Mr EDWARDS** - As you know, it has been the focus from you good people that has been a clear focus for us. We have been decreasing overtime costs in many areas and we will continue to challenge people and continue with goodwill from staff and unions to bring our working environment into a decent family business environment. To do that, what we have done is have a key focus on continuous review of the structure, and on that structure we have paid attention to the Legislative Council where we have talked about numbers of correctional staff in the past, so we have recruited additional staff. We have also looked at the formula for the 24-hour cover that we need and then on top of that, we have recruited additional staff to keep the balance right for any injuries that go along with this job.

Our implementation of a constant review of absence management I think plays a big part and is an ongoing job. Ian Thomas is now leading work on absenteeism, workers compensation and other matters around that area.

I was also very worried about the amount of overtime that was going on prior to our change management process in 2012 and the work we did with you going through from 2012 up until now, with the amount of time people were spending away from their families and also the amount of time they were spending in work. We believe in modern business people should not have that, and that we should have some form of fatigue policy, so we have actually introduced a fatigue policy. We have worked through that with unions and we are still working through with unions when we have a little bit of a shortfall. Our belief is that people should not work a lot of hours and they should work the appropriate hours. Working for 12 hours and then asking for more overtime and then having to drive 20 miles is a ridiculous situation. We have introduced a fatigue policy and our job is to make sure that fatigue policy is strictly adhered to. It has been of some help.

The one thing that we had to consult continuously with the unions on was that this was not, in our view, a method of actually reducing funding for salaries and reducing overtime for staff. This was more about a healthy environment. I think it is an important part of a healthy working environment by increasing the efficiency and also reducing the costs, but that was not the prime mover for that.

We have introduced a central rostering, as you know, but Ian Thomas is leaving[?]. As you go through change, you have to put your strategies in and as we explained earlier to your good selves, you put a strategy in to take you through to the next stage. Change management is by far the better way of incremental change going through. We are now reaching a stage working with the minister and with Justice to move to our next level of strategy. We have got through the first five years. In those first five years we had to have two different structures in to take us through that next couple of years. Now what we are looking at is another review on our central rostering and another review on our staffing to take us through the next five years. We had a strategy in place in the beginning to start looking at 15 to 20 years. That is where we are moving now.

**Mr FINCH** - It is sounding ominous. When we actually get down to the figures that you are going to reveal to us and what the figure for overtime is, but please go on.

**Mr EDWARDS** - You know I have always talked to you straight.

**Mr FINCH** - Yes.

**Mr EDWARDS** - The trend line is still going down. We are still on a downward trend.

**Mr DEAN** - What is the overtime this year?

**Mr EVANS** - As at 30 April, I believe it is about \$3.3 million, which is down on last year. Last year it was \$4.4. million, and the year prior to that \$3.3 million. It is a bit up and down.

**Mr EDWARDS** - Which will happen.

**Mr EVANS** - We are talking about long-term. When Brian talks about long-term trends, if you go back four or five years, you are talking figures over \$5 million.

**Mr FINCH** - You can see, minister, what our concern has been when you are talking about over \$5 million a few years ago in overtime. My thought, and it is probably a naïve thought, is that there should be more personnel taken on to fill those roles, rather than having people doubling up on shifts or working overtime. I think, with due respect, through you minister, \$3.3 million is a staggering figure.

**Mr FINCH** - It represents an excessive figure.

**Mr DEAN** - I think that is, correct me if I am wrong, over and above the programming overtime you put into your Budget. As I understand it, you put into your Budget a certain amount of overtime but the previous figures we were getting was that this overtime was over and above that overtime. Is that right?

**Mr EVANS** - No, that is not strictly speaking right. The total amount of overtime expenditure is \$3.3 million.

**Mr DEAN** - Is that across the whole of the prison service or just correctional overtime?

**Mr EVANS** - That is correctional officers.

**Mr DEAN** - Previously there was strong evidence to support rostering of overtime within the jail. Are we now satisfied, minister, that you have restricted the opportunity to roster in every way possible?

**Mr EDWARDS** - Yes, I take note of what you have said.

What I was trying to explain to you beforehand is that we put a framework in place to ensure that people work through their job with integrity. Rostering et cetera was looked at, and that is why we have got central rostering. I understand where you are coming from with the amount of money, but in running a prison, do you pay for a huge amount of staff just in case? Or do you have an overtime budget that you have got to work to?

**Mr DEAN** - If that is less than the overtime, you probably would.

**Mr EDWARDS** - It would not be. Why we have spent that overtime over the top is because we can only accept people as they come through the courts. We cannot say, 'We will only take 500 people and you can come into court in six weeks' time when we have sent one away'. We have got to accept into courts what we get. We also have to accept that if people go into hospital with the healthcare rules and regulations around the taking of drugs and things of that nature, where people have to be checked for their heart and so on, that it is something we have to adjust to.

That adjustment is in line with the percentage. It would cost us more if we had more staff in to cover the \$3.3 million than it would if we actually adjusted our current staff to the stresses and strains of court procedures and hospitals, if that makes sense.

**Mr BARNETT** - Through you Chair, in answer to that question, we have added and invested in 67 extra staff since we came to government, so three and a bit years ago. In addition, we have invested in capital in this with 51 extra positions going forward: 40 in the minimum security; then 16 in the independent living units; and then the women and baby unit. We have added further money for recurrent funding to support that extra development.

We have invested an extra \$11 million since we came to government and of that \$6 million extra in this financial year. It is not an insignificant investment on behalf of the taxpayers, which I think will address and relieve some of the pressures. I am adding to what Brian has said.

**Mr FINCH** - We are not witnessing that with the figures, minister. With respect, this year it was \$3.3 million; last year \$4.4 million; the year before \$3.3 million. It went up last year, but then back to the level it was three years ago. We would have expected, from the strong concern we expressed in this area that there may have been more improvement than we are witnessing through those figures.

**Mr DEAN** - At least it has reduced from about five million.

**Mr EVANS** - There has been some improvement. Over the past couple of years there has been a significant increase in numbers in the prison. There are about 150 more people in the prison today

than there were two years ago. This year we are paying about the same in overtime that we were paying two years ago, but there are about 150 more individuals.

**Mr FINCH** - But our suggestion, as I said - naive though it may be, and not understanding how the business system works - was for that increase extra staff could be trained, available to manage the situation, rather than paying overtime, for the reasons Mr Edwards has outlined - the OH&S issues, the WorkSafe issues and in respect of good family. It would be conducive to a good family situation for those workers. Rather than being stuck at work doing all this overtime and having a discombobulated existence, they should be more regular and stable in their hours of operation and commitment to the job. I think we have made our point.

**Mr DEAN** - What are the main offences that we are seeing? What offenders, male and female, are coming into the prison?

**Mr BARNETT** - The main offences?

**Mr DEAN** - I am talking about increases. Burgs and steals are obviously very high, but what about other areas?

**Mr BARNETT** - That is a fair question. The prison population has increased. We are at 90 per cent. In terms of the breakdown, I wonder if Brian could address that issue.

**Mr EDWARDS** - I do not have an exact breakdown in my head. Overall, we have seen a lot more extremely serious drug trafficking into the state. At least half-a-dozen of the top-end smugglers are in the jail. We have seen an awful lot of violent crimes within the women's environment compared to a few years ago.

**Mr DEAN** - Meaning in the women's prison, not family violence, but other violent offences?

**Mr EDWARDS** - There are family violence issues around the women's prison - and the men's prison - but women's offences seem to have a more violent tone than they used to, a few years ago. The numbers have gone up slightly.

**Mr DEAN** - Do we have many work programs outside the prison?

**Mr BARNETT** - Yes, we have a number of initiatives. We talked yesterday, for example, about Housing Connect - the importance of rehabilitation, then reintegration into the community. We have to get our recidivism rates down. I can go into that if you want.

**CHAIR** - It was covered yesterday. It is on the record.

**Mr BARNETT** - It is an important area. We have to improve the rates of re-offending within two years of departing the prison. We have to get them reintegrated into the community in the best way possible.

There is a few examples: the Dogs' Homes of Tasmania; Pups on Parole behaviour program - that is working - within the prison; RSPCA at Mornington; St David's Cathedral; community garden at Kingston; Clarence City Council; and Risdon Vale Neighbourhood Centre, all working in partnership with various projects. There is the Hand Made With Pride in the Mary Hutchinson Women's Prison, and community service activities. There is a range of initiatives, prison fellowship

is another one. There are a lot of good organisations working in partnership with the various stakeholders, for which the Government is very grateful.

### **3.2 Community corrective services -**

**CHAIR** - Minister, I heard you, in one of your responses to members' questions, talk about community correction orders instead of community service orders. Are they the same thing or are they two different things?

**Mr BARNETT** - It is to do with the suspended sentencing policy that the Government implementing over a period of time. The community corrections orders take over the community service orders. I am happy to pass to Mr Evans if you would like more detail.

**CHAIR** - I am interested in the community supervision orders. I have long held the view that we do not seem to have as many people in our communities who are prepared to undertake supervision, or are fit the requirements for that. I am interested in how that program is being rolled out. Is it still part of the community corrections order gamut?

**MR EVANS** - The changes that the minister referred to in relation to suspended sentences have yet to occur so the program is operating the same way as it was. Mr Buchanan might be able to speak to any issues in the operation of the current program. Into the future, the community service order and community corrections orders will be combined into a single order, which will allow more flexibility for judges and magistrates. Rather than almost having to pick one or the other, they can combine elements of both.

**CHAIR** - But people who have been found guilty, will they be able to undertake those orders, particularly in more outlying communities.

**MR EVANS** -Yes.

**CHAIR** - How is that going, minister?

**Mr BARNETT** - I wonder if Mr Buchanan might be able to answer that.

**MR BUCHANAN** -.It is a very effective program. You will appreciate that I am relatively new to the area. It is one that has impressed me with the work that is done. At times, we have an unmet demand for our services, people are wanting in the community service orders to perform work, but overall it is an excellent program.

**CHAIR** - So there is no trouble in finding people suitable and fit for requirement for supervision?

**Mr BUCHANAN** - In terms of the offender?

**CHAIR** - No, the supervisor. That was a problem in the past, particularly in more outlying areas. People had community service orders, which are usually by the hour, yet there were no suitable people available in the community to supervise. Therefore, offenders' hours never decreased. That is what I am interested in.

**Mr BUCHANAN** - They are not easy jobs to fill. In fact I only signed off on one earlier this week where we went through a selection process and found there was no one suitable. We do have flexibility in that area. Generally, the supervisors are not full-time and they will increase and decrease their hours as appropriate.

**CHAIR** - My understanding, minister, is that in the past there have been very generous volunteers in communities who used to undertake that work. Does that still occur?

**Mr EVANS** - The program relies on people volunteering to have the service performed on their facilities. We still need those good people to come forward and volunteer their premises or facility. The community employees then supervise and make sure everything is all right around those properties.

**CHAIR** - I am talking about those people who do not get paid for their work but are happy to be part of rehabilitation. It is often people who they know in the community and they are willing to try to put them back on the straight and narrow. That is what they consider their role is. Do we need to put a program in place to search for such people?

**Mr BARNETT** - That is a good question. Neale, did you want to add anything?

**Mr BUCHANAN** - We are always proactively looking for locations where work can be performed. The persons concerned are not supervising them as such though. The supervision comes from the paid employee of Community Corrections.

**CHAIR** - That is the difference. In the past, particularly in small rural communities, we used to have people who were volunteers who were happy to go out for half a day and supervise wood cutting. Then the wood would be taken to the local nursing home. Does it still happen like that?

**Mr EVANS** - It is important to remember that people are under orders of the court when they are performing this function. The court has expectations about how they will perform their task and the level of supervision that will be provided to them. It is probably also worth pointing out that the number of people on community service orders has decreased.

**CHAIR** - It is very clear from the table and the note that the decrease is about people going off those orders and completing their responsibility. That was the area that I was interested in. Also, you talk about the adaptation of the Victorian model as 'a cost-effective model for a corrective services package'. So have we borrowed from the Victorians here?

**Mr BARNETT** - Are you speaking with respect to community correction?

**CHAIR** - Yes, it comes under community correction services. It talks about the community service package, 'recurrent demand analysis specialist resources'. It is an adaptation from the Victorian model.

**Mr BARNETT** - Yes, I am with you now. If we could pass that to Nick Evans.

**Mr EVANS** - One of the issues that has been a problem for us and for government, more generally, particularly Treasury, has been when we are talking about what the demand on the correction system will be, particularly on the prison. At this stage, all we can do is use our best

guess and look at the trends that have been occurring over recent years and say to government that this is what we think is going to happen.

Victoria has a unit of people and a data model they can feed their data into which has, over the last 10 years, accurately within five per cent, predicted what prison numbers will be and what numbers in community corrections will be. They have agreed to give us that model for us to Tasmanians to be better and more robust in our capacity to forecast the demand for prison beds and also for corrective services.

**Mr DEAN** - Do we have supervisors at every site where we have somebody doing work orders? Are those supervisors on site the whole time?

**Mr BARNETT** - I think that is best, if you could address that one.

**Mr BUCHANAN** - No, they are not on site the whole time.

**Mr DEAN** - I raised this issue last year and I have had exactly the same issue raised with me again this time. A person on work orders was were rocking up, having a couple of fags, sitting down and carrying on. The supervisor was there for a time and then left. Some of them left also shortly after the supervisor left. I am just wondering how effective the whole thing is if it is not done properly. What the is the return from these people?

**Mr BARNETT** - I wonder if you could just expand on the answer in terms of security. The safety of the community is a top priority for the Government.

**Mr BUCHANAN** - They will go over to a work group with a supervisor. Sometimes they will be performing fairly intensive jobs so the whole work group will work on the one location under supervision. Others will be dropped off to do small mowing jobs and the like. The supervisor will then rotate between those work sites and check up on them. They are not supervising them all the time, but there is still a supervisor in place in the area. To do otherwise, would be incredibly expensive.

**Mr DEAN** - I understand that. There must be reasonable control over these individuals because the perception of the public is that it is a dead loss. That is the information you get back from them. I think I raised this last time, any incident that they might be involved in whilst working, is that a workplace injury? Do they require all the same tickets if they are going to be doing certain work?

**Mr EVANS** - Yes, they are. Yes, the people on community service orders are covered by the Tasmanian Risk Management fund and effectively treated as employees for that purpose.

**Mr BARNETT** - Did you have anything else to add?

**Mr BUCHANAN** - Risk assessments are done on the offenders. Basically the amount of supervision they receive is going to be based on the risk of the offender.

**Mr DEAN** - How many breaches of compliance with work orders have we had this year?

**Mr BARNETT** - We will just check if we have that information. As I said earlier, safety and security in the community is a top priority. The point that Neale is making is that they do the risk

assessments. They have e supervision so the risk to the community is absolutely minimised. I will pass to Nick for the actual numbers.

**Mr DEAN** - I am not trying to get across that they all do not do the right thing. A lot of them, and I suspect the greater majority, would do the right thing and do the work.

**Mr EVANS** - The most recent data that we have is that 79.3 per cent of people complete their community service orders, so that leaves around 20 per cent who do not complete them or who might be subject to breach.

**Mr DEAN** - I guess it is not a bad percentage when we look at it.

**CHAIR** - Minister, we have come to the end of our session today, but before we close, I would like to put on the record on behalf of this committee and the Legislative Council that this will be your last Estimates given your retirement, Brian? We want to acknowledge the work that you have undertaken at the prison through corrective services.

We have very much appreciated the openness and frankness that you have provided to members in all the briefings, not only through the Estimates process, but whenever we have asked for you to come and your team to come. We want to acknowledge your work. We wish you all the best.

If we do see you back here, that is well and good. It is on the public record twice probably. We would also like to offer our best wishes to Ian when you take up the role. You already know you have got big shoes to fill. People have been telling him all the time. Thank you very much to your team. When you get to the fourth day, it can be pretty heavy going. We certainly appreciate it. Thank you particularly for taking over the acting role while Dr Goodwin is doing her best to get back to the Parliament. We thank you and we look forward to whenever we need to have you and your department back to the council.

**Mr DEAN** - Chair, you might want to extend the thanks to our staff who have done a magnificent job, and to our supporting staff.

**CHAIR** - I certainly extend that thanks to Natasha and Julie, who are in and out all the time, and a particular thank you to Lynne and the *Hansard* team. They do a wonderful job. Thank you very much.

**Mr BARNETT** - Chair, in closing, can I also thank my officers here at the table for their support, not only today, but in the recent weeks and months, and their various teams.

**CHAIR** - And the ones back at the office.

**Mr BARNETT** - I have learned a great deal in my recent acting role in this particular portfolio, and as I say, following in the footsteps of Vanessa Goodwin. I appreciate the important role of the Legislative Council as someone who has been in the Senate and the upper House; it is an important role for scrutiny and accountability. To indicate that my office and I will be available if you have some other questions.

**CHAIR** - They will be arriving.



## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - I am talking more generally across the board going forward. Please pick up the phone and call. We will see what we can do to help answer those questions.

**CHAIR** - Thank you very much.

**Mr BARNETT** - Thank you.

**CHAIR** - On the strength of that, we will adjourn.

**The committee adjourned at 1:18 p.m.**