



PARLIAMENT OF TASMANIA
Legislative Council

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE 'B' 2018

Report with Minutes of Proceedings

Members of the Committee:

Hon Rosemary Armitage MLC (Deputy Chair)
Hon Robert Armstrong MLC
Hon Ivan Dean MLC
Hon Craig Farrell MLC
Hon Jane Howlett MLC
Hon Tania Rattray MLC (Chair)
Hon Jo Siejka MLC

**LEGISLATIVE COUNCIL
GOVERNMENT BUSINESSES SCRUTINY COMMITTEE 'B'**

MINUTES

Tuesday 4 December 2018

The Committee met at 10.50 am in Committee Room No. 1, Parliament House, Hobart.

Members present:

Ms Armitage
Mr *Armstrong*
Mr *Dean*
Mr *Farrell*
Mrs *Howlett*
Ms *Rattray*
Ms *Siejka*

In Attendance

Ms Natasha Exel (Secretary)

Confirmation of previous Minutes

The minutes of the Meeting held on Wednesday 21 November 2018 were confirmed as a true and accurate record.

Stakeholder meetings

Briefings

At 12.19 pm, the Committee suspended
The Committee resumed at 1.30 pm

Stakeholder meetings

Suspension

At 2.37 pm the Committee suspended until 8.45 am on Wednesday 5 December 2018 in Committee Room 1.

Wednesday 5 December 2018

The Committee resumed at 8.53 am in Committee Room 1, Parliament House, Hobart.

Members present

Ms Armitage

Mr Armstrong

Mr Dean

Mr Farrell

Mrs Howlett

Ms Rattray

Ms Siejka

In Attendance

Ms Natasha Exel (Secretary)

Port Arthur Historic Site Management Authority

At 9.00 am, the following witnesses appeared before the Committee:

Hon Will Hodgman MP, Minister for Heritage

Mr Stephen Large, Chief Executive Officer, PAHSMA

Dr Jane Harrington, Director Conservation and Infrastructure, PAHSMA

Ms Anne Mc Villy, Director Tourism Operations, PAHSMA

The Minister provided a brief overview and the Committee proceeded to questions.

The Committee suspended at 10.20 am

The Committee resumed at 10.33 am

Metro Tasmania

At 10.33 am the following witnesses appeared before the Committee:

Hon Jeremy Rockliff MP, Minister for Infrastructure

Michael Harris, Chair Metro

Megan More, Chief Executive Officer Metro

The Minister provided a brief overview and the Committee proceeded to questions.

Question on Notice

1. Provide the nature of most complaints made against bus drivers, together with details of actions taken to address these complaints. (ID)

Ms Rattray left her seat at 10.58 am

Ms Rattray took her place at the table at 11.00 am

Ms Howlett left her seat at 11.04 am

Ms Howlett took her place at the table at 11.06 am

The Committee suspended at 11.52 am

The Committee resumed at 11.57 am

TasRail

At 11.58 am the following witnesses appeared before the Committee:

Hon Jeremy Rockliff MP, Minister for Infrastructure

Samantha Hogg, Chair TasRail

Neale Tomlin, Corporate Relations and Strategic Development Manager, TasRail

Karen van der Aa, Chief Financial Officer, TasRail

The Minister provided a brief overview and the Committee proceeded to questions.

Questions on Notice

1. Information on the reliability rates of TasRail's current locomotive fleet.(CF)
2. A breakdown of numbers of railway sleepers scrapped compared with the numbers of sleepers donated and re-used. (CF)
3. Advise why amendments to the *Strategic Infrastructure Corridors (Strategic and Recreational Use)* Act have not yet been tabled and a timeframe for when it is expected to be tabled.(TR)
4. A breakdown of the quantity of tonnage by product type transported by TasRail during November 2018.(RA)

Mrs Armitage left her seat at 12.50 pm

Mrs *Armitage* took her place at the table at 12.51 pm.

The Committee suspended at 1.04 pm.

The Committee resumed at 2.00 pm.

Tasracing

At 2.00 pm the following witnesses appeared before the Committee:

Hon Elise Archer MP, Minister for Racing

Gene Phair, Chair Tasracing

Dr Alicia Fuller, Acting Chief Executive Officer Tasracing

Daron Heald, Chief Financial Officer Tasracing

The Minister provided an overview and the Committee proceeded to questions.

Questions on Notice

1. The number of horses involved in Tasracing's Off the Track program in 2018.(ID)
2. The number of greyhound adoptions funded by Tasracing, including any adopted under the Brightside GAP program, in 2018.(TR)

3. An explanation as to whether the number of harness races adequately accommodates the potential number of starters. Provide figures on missed starts due to a comparatively low number of races in the past twelve months.(TR)
4. Numbers of male and female jockeys currently riding in Tasmania.(RA)
5. The financial outlay to Tasracing to conduct trotting races, the betting turnover for trotting races and the number of pacing races have been lost as a result.(ID)
6. Information on any plans to adopt reconciliation access plans within Tasracing.(JS)
7. The number of resignations from all Tasracing staff, the reasons why the past twelve months and the reasons why these occurred.(ID)
8. The number of cases of stress leave taken by Tasracing staff in the past twelve months.(ID)
9. Numbers of people employed in the racing industry in Tasmania, including a breakdown by gender. (TR)
10. Advise why Tasracing was not interested in buying the property and stables adjacent to the Longford Racecourse in the interests of the preservation of the industry. (ID)
11. Provide an outline of the benefits to Tasracing in sending staff on international trips as listed on page 31 of the Tasracing Annual Report.(ID)

The witnesses withdrew at 3.38 pm.

Next meeting

Tuesday 11 December 2018 at 3.00pm.

Adjournment

At 3.25 pm, the Committee adjourned.

DATE 11/12/189

CONFIRMED



CHAIR

**Wednesday 5 December 2018 - Legislative Council - Government
Businesses Scrutiny Committee B - Port Arthur Historic Site
Management Authority**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 5 December 2018

MEMBERS

Ms Armitage (Deputy Chair)
Mr Armstrong
Mr Dean
Mr Farrell
Ms Howlett
Ms Rattray (Chair)
Ms Siejka

IN ATTENDANCE

Hon. Will Hodgman MP, Minister for Heritage

Ministerial Office

Mr Tim Baker, Chief of Staff
Ms Alice Honeywell-Jones, Senior Adviser

Port Arthur Historic Site Management Authority

Professor Sharon Sullivan AO, Chair, PAHSMA Board
Mr Stephen Large, Chief Executive Officer, PAHSMA
Dr Jane Harrington, Director, Conservation and Infrastructure
Ms Anne McVilly, Director, Tourism Operations
Ms Jennifer Fitzpatrick, Marketing & Communications Manager

The committee commenced at 8.53 a.m.

CHAIR (Ms Rattray) - Welcome, everyone, to this year's GBE scrutiny and particularly, Premier, welcome to you and the PAHSMA team with you. As we have usually done in previous times, we ask you, Premier, to provide an overview. The length of time that takes will reflect on the amount of questioning time we have, but we would like to get as many questions as possible into this process.

Mr HODGMAN - Thank you, Chair, and I will limit my comments as much as I would love to speak at length as the Minister for Heritage with responsibility for PAHSMA, and very proudly so.

Chair, if I may briefly report on what has been another hugely successful year for the Port Arthur Historic Site Management Authority, particularly with the opening of the new visitor centre at the site, which is the largest capital building project in PAHSMA's history. It was built on time, within budget and funded by the authority, too. That is a wonderful model for a government business.

CHAIR - With some help from TASCORP, I believe.

Mr HODGMAN - An excellent project that I am sure those of you who have visited would see as far more appropriate for what is one of Tasmania's iconic tourism drawcards, but also one of the world's great heritage sites.

The authority also reports a very strong financial performance and business growth. I congratulate Professor Sullivan, the board, management and employees of PAHSMA on their outstanding achievements. They also effectively manage other iconic sites in our state that make up the Australian Convict Site World Heritage property of Port Arthur and also the Coal Mines Historic Site and Cascades Female Factory Historic Site. Conserving each site's heritage buildings, ruins, landscapes and collections is most rewarding and is appreciated by all Tasmanians, but it is also inherently challenging and requires considerable financial resources. Promoting and managing these sites as heritage tourism attractions presents an opportunity to conserve and maintain these significant places for future generations.

PAHSMA has continued to experience workforce growth, which is largely attributed to the increase in visitor numbers. They directly employed 173 staff as at 30 June 2018 and the authority is the most significant employer in the Tasman region. Importantly, where possible the authority engages local contractors to supply services and uses local produce in the food and beverage outlets.

I want to just touch on the cruise ship industry, which has been the subject of some interest to the broad Tasmanian community and certainly to the Government, and no less to the authority, which is part of what is a rapidly growing sector. Their continued work alongside the cruise ship sector saw 26 ships dock at Port Arthur during 2017-18. Additionally, PAHSMA sites welcomed visitors from cruise ships that dock in Hobart throughout the year and are a vital contributor to our visitor economy. This year our Access 2020 working group released a recent view of cruise ship activity in Tasmania that provides an analysis of the market size and economic contribution of cruise visitation to the state and outlines target segments to support our goal of getting more visitors here while making sure they see more of our state, disperse across it and spend more while they are here. In summary, the regional cruise ports review found the anchorage at Port Arthur can continue to efficiently manage growth of cruise ships. In addition to cruise ships anchoring at the site, they welcome visitors from a number of ships that visit our state.

The PAHSMA board and executive are to be congratulated on the significant conservation work finalised during the year. I am proud of their achievements in that regard and look forward to receiving the final recommendations that will come from their carrying capacity study, which is progressing and will be of great benefit, not only to the authority but also to the tourism and heritage sectors within government.

In conclusion, it goes without saying - and all members would be aware of this - how important the site is to Tasmania's visitor economy and our heritage tourism attractions. It is often highlighted not only in what we do in Tasmania but also nationally, and it continues to attract many visitors to the site. The site continues also to receive accolades, not only for its quality but also the experience that presents. It is a credit to the staff who are very engaged and conscious of the importance of providing a positive experience for our visitors. It is why, without wanting to sound blase or complacent, the site continues to receive not only state but also national accolades and tourism awards for excellence. In this financial year, I believe awards are available for inspection at a later stage.

I will leave my comments at that but, perhaps, Chair, if it would be possible to ask the PAHSMA chair to also make some brief opening remarks.

CHAIR - I am sure the committee would be very pleased with that. Just before Professor Sullivan does so, I want to put on the record that some members of the committee travelled to Port Arthur on Monday and were able to look over the new visitor centre, the restaurant and some of the works done throughout the site. We want to place our thanks on the record for that. We were very well hosted, even though the weather was not that pleasant to us. We managed. Thank you, Professor Sullivan.

Prof. SULLIVAN - It was a great pleasure. It is a great pleasure for me to be here again. I was reappointed as PAHSMA Chair during the year, which is a privilege, and I have witnessed many challenges and achievements for PAHSMA over the years that I have worked with PAHSMA. As we say in the conservation business, if you are into heritage, you always fall in love with Port Arthur the first time you see it and you wish to be involved with it for the rest of your life. That is something I am very privileged to do.

We thank the Government particularly, as we do every year, for the support we have had. It is support not just in terms of the funding and the advice they give us, but also the support in their trust in us to get together the money, to do the planning and to do the visitor centre. That is a considerable risk, not just for us but for government in it working. Of course, as you know, approvals have to go through the federal government as well as the state Government. We were very pleased to have that very full support and we are very pleased with the outcome. We got it through on time and on budget, as the Premier has suggested, and we used Tasmanian contractors and so on.

The only other thing I would like to mention about this is that it has won a number of awards but one of the most important has been that the new Port Arthur gallery, which some members of the committee saw yesterday, with a project managed by Dr Jody Steele won a special judge's award from Interpretation Australia this year. It was very pleasing, and I think if you saw it, you would know that it is really telling the story very well. Additionally, it is, for the first time, very sympathetically telling the story of the tragedy. That has been done in consultation with the stakeholders. We think it has hit the right note in that sensitive area.

We kept going through all of this. In the midst of winter our staff did not really have anywhere to operate except out of containers and they did a wonderful job. We had very few complaints from visitors. That was very pleasing, too, because that is always the problem when you are running a site with lots of visitors, to keep them happy while you are doing a major thing like this.

As the Premier mentioned, we are very interested in ensuring that we can go on receiving visitors and more visitors than we have at the moment. We are very keen to get ahead of the game and to do a carrying capacity study, which does not say we could only take this number of people. What the carrying capacity study will say is: what are the values we are looking at, what are the risks to these values and how can we set up policies whereby we can continue to have an increasing number of visitors without jeopardising these values? We are very firmly of the view that part of the heritage value of Port Arthur is that people see it and understand it. Therefore, as some heritage sites have done in the past, we do not say we are here to conserve it and the visitors are the enemy. We see the visitors as adding to the value, but we are very keen to do this carrying capacity study. As the Premier said, we are hopeful that this will be of use to other agencies. We are also hopeful that we can work with other agencies. We are also hopeful that we can work with other agencies in general on this to ensure that the continued visitation rise is done in a way that conserves the values which everybody comes to see.

So, the stage is going to be completed in the new financial year. The Getty Conservation Institute is sending two of their senior people to a workshop in February. We are also hoping to have a symposium later in the year which we are hoping the Premier will open for us. They have done a great deal of work at a very big heritage site in China with reference to these things. We have a long exchange program with this site, which is very useful.

We are also involved in working collaboratively. We continue to benefit from the Australian Research Council project, which is very well thought of. It is called Landscapes of Production and Punishment. We are working with a group of universities to do the archaeological and other work, which gives us more information about Port Arthur.

We are working on creating a first-class history and interpretation centre at the Cascades Female Factory with Tasmanian architectural firm Liminal Studio, partnering with Snøhetta and Rush Wright. They submitted the winning design entry. Later today the board will be meeting with them to progress that project. We are very pleased about that. We want to make sure it is fit for purpose. It is a very sensitive site, as I think I explained last year. We want something that blends in the austerity and the story of the Female Factory. We have that, I think, in terms of the design, but, of course, finessing it and getting all of those things right that you need to get right practically will be our next job. Then we are going to be raising funds for it.

We have two community advisory committees that work very well for us, one at Port Arthur and one at the Female Factory. These are really integral to the work we do and to our ongoing planning and so on. They are always involved and they bring news back to the community about what is really happening, as opposed to what people might think is happening. Being a big employer on the peninsula is really good for the community, but it also means that we can be seen as the big brother, or I perhaps should say, big sister. We need to keep control of that.

We also have the Coal Mines. We also have a very active group there as well that polices that place to some extent and helps us with it.

We have been working now for 14 years with Federal Group to build a first-class hotel right on the site. The brief history is that a long while ago the Government gave a long lease to build a motel right on the edge of the site. It is not somewhere necessarily where you might choose to build a motel if you were starting with a greenfield project now, but Federal bought the lease 14 years ago and proposed a

first-class small hotel development there. Neither we nor Federal have succeeded in getting this going. It has stalled for many reasons. The Federal Group has been reassessing its needs, doing other things it needs to do. Also, it has said that at the moment it wants to reassess when it has more information about a range of things.

We have concerns about that 14-year period because the motel there is not getting any younger. Also, it is uncertain for commercial interests that want to develop down there, if they don't know whether Federal is building a big hotel or not, and, if so, when. That is something that is ongoing. We are meeting with Federal today to talk about that.

Climate change is a key issue we are very concerned about, particularly at the Coal Mines. If you have seen the footage of the king tide we had five or six years or more, which swept into the bottom of the penitentiary and resulted in the need for all the work we had done there, you will know that this is an ongoing problem.

I am very pleased to say that we have a really good research team doing work on this, to try to find practical solutions. You cannot stop some of the coal mines from going into the sea, because of rising sea levels, but you can take mitigated steps and record carefully. You can do all of those things. Once again, we are doing some really good work there which will have general application and what we are trying to do.

We are grateful, as I have said, to the Tasmanian Government for its ongoing support and we look forward to the coming year and years with new challenges. Thank you very much.

CHAIR - Thank you.

Mr HODGMAN - Chair, we are more than happy to take questions but, prior to doing so to formally, I wish the member for Launceston a most happy birthday. I am sure she is delighted to be spending this auspicious occasion with this committee.

Ms ARMITAGE - As do my family.

CHAIR - We fully support your best wishes and some of us have already expressed our birthday wishes to the member for Launceston.

Now I will ask another northern member to open our questioning. Thank you, Mr Dean.

Mr DEAN - Thank you, Madam Chair. We appreciated the opportunity on Monday to look at the new visitor centre, which is a real eye-opener. It is a great centre and will be a wonderful further attraction for the site. We thank the CEO and other members for looking after us. It was great.

CHAIR - Trying to keep us out of the rain.

Mr DEAN - You learn so much from seeing. My first question is on the centre and, while we discussed these matters on Monday, I want to raise them here.

The great thing was being able to manage the centre and visitors to Port Arthur during this construction and closing of certain areas. Can I be given an explanation as to how you managed? You have accomplished a great thing. Premier, can I be given some understanding as how you were able to manage.

Mr HODGMAN - Certainly, I am sure Stephen might be best placed to answer you.

Prof. SULLIVAN - And Jane and Anne.

Mr LARGE - Perhaps I can start and Jane and Anne, who are both heavily involved in the project working group, can speak also. Obviously, a lot of planning went into it because we knew the old visitor centre would be a building site for approximately nine months. We set up containers for our ticketing areas, we moved some of the food and gift shop to other houses on the site. As the Premier said, it was amazing how understanding the visitors were; they were able to see what we were doing and obviously it will encourage them to come back once the building was completed.

We also had record numbers of daytime visitation that particular year. People were not put off coming to the site because of the building works. We were really pleased the tender was awarded to a Tasmanian company, Voss Constructions, and they were very good to work with.

It is only another two weeks before the defect period is over and the building is all ours, which presents some challenges for our works team in how we manage the centre on an ongoing basis. If anything goes wrong now, we can go to Voss, but from 18 December, it becomes ours.

I pay tribute to our staff who worked under some difficult conditions at times. As you can see in our financial report, some of our food and beverage and gift shop sales took a bit of a hammering, not having the capacity to display. People were missing the gift shop as part of the visit as it was over the other side of the site and the food area took a bit of a battering too.

Some of the other restaurants on the peninsula did well and made it clear to their visitors that there was no restaurant at Port Arthur, 'so you better stay with us'. That is fair enough, that is the market and business.

Perhaps Jane or Anne might like to add more on the technical side of things,.

Ms McVILLY - Further to the food offering, it was really good for the region. We lost our visitor centre for over six months so we hired the commercial kitchen at the local golf club and paid them for the use of that. Then we had to move our food from the golf club to the visitor centre. We hired the Lions Club food van and served coffee and food out of that. We had staff welcoming people in the car park all through winter in three places outside in all weathers to welcome people and assure them their visitor experience would not be compromised. We provided a car park shuttle to take people back to their cars at the end of the day.

While we had a continuity plan, sometimes things arose we did not plan for but we quickly found solutions. The staff did not grumble about that whole winter period, not once. It was wonderful to give them ongoing employment. It was very hard to get the keys to the building a couple of days before Christmas when our busy season starts. We did not have a lot of time to learn how to use the new building. We have been learning on the run. Again, it is a credit to the staff.

Prof. SULLIVAN - One of the reasons the attitude of the staff was so positive was that the whole of the new visitor centre was planned with a major aim of making

it good for them to work in. They were consulted. It was not just good for them to work in, but how they can best serve the visitors. It was a consultation process that gave us what we wanted for the visitor centre. That meant everybody understood why we were doing it and that it would be a major benefit to them as to everyone else.

Mr DEAN - I have one concern about the centre, which is that the museum is nowhere as interactive as I thought it would be for premises such as a modern museum. Having visited the Sir John Monash Centre at Villers Bretonneux, I now realise what we are doing with modern buildings and how we are interacting with people and visitors coming in. You do not have that down there. There was an explanation given, but I would like to hear the explanation for that not being the case. I think it is the technology in the area and so on.

Visitors are coming from around the world, China in particular, to see how we are interpreting that centre to them yet we do not have an interactive display. At the Sir John Monash Centre, you simply pick up the device you need in the language you want. You switch it on and it tells you all about it as you move around the areas. Why isn't it as interactive as it probably could be in this modern day?

Dr HARRINGTON - That is a very good question. People like me are very old fashioned. I have read reviews of the Sir John Monash Centre and had various access to the consultants who were involved with putting it together. We deliberately aim to be more low key than some of those other places. To be blunt, a lot of it is cost. Technology is expensive. Those members who were in the separate prison, the first thing Stephen and I said when we went there was, 'Where's our audio-visual?' We had had a power outage the day before and everything needed to be reset. Every time the power goes down, you can guarantee - we have this thing called the Port Arthur factor - that if it is electronic, something will go wrong with it.

We have done a lot of research with Jody's work. Some of you met Dr Steele there. We are ensuring we provide a range of communication types that meet broad demographics, which include, in this case, children. We have tried to simplify it as much as possible. What you have seen is a work in progress, with some of the overlays that will happen later.

You may have noticed we do not have a sign out the front yet. That has been one of our hardest things, trying to work out where we are going to put it so everybody can see it. It is not a finished product. We take feedback from visitors as they come. That will definitely affect how we move forward over the next 12 months with extra layering of interpretation in that area. One of the things we have developed across the site is a greater capacity to deal with Chinese visitors. We are looking at that in other ways.

Mr DEAN - How are you interpreting to all of those people coming in from other parts of the world? The issue has been raised with me of people going there and their concerns about understanding when they are not able really to pick up and understand clearly and fully what is going on.

Dr HARRINGTON - We have Chinese-speaking guides.

Mr DEAN - Not just Chinese, but -

Ms McVILLY - Our visitor guide is printed in seven different languages so, again, it is print material. We have a product development committee and we are

looking at the use of audio or technology from the visitor centre to the site experience as well.

We take that on board as a really important thing.

Mr HODGMAN - I appreciate your input and constructive criticism.

Mr DEAN - It is constructive; it is not meant in any other way.

Mr HODGMAN - To cast a critical eye over what we are doing is very important and the authority gets feedback from customers. I will also raise this with the Commonwealth Government to perhaps benchmark - I have not been to the Monash Centre myself, but you benchmarked that as model case to alert them to what might be possible at Port Arthur.

Mr DEAN - In my view, it is possible. The technology down there is not that easy.

Ms SIEJKA - I am interested in the carrying capacity review you are undertaking and I am keen to know the scope of the review. With the increase in cruise ships, is it looking primarily at the cruise ships' social, economic and environmental impacts or on the site as a whole? What does the scope of it really drill down into? Will it be shared publicly? Obviously, there is much people can learn from it because it is a good thing to do. I heard you mention the values you have identified and want to test against, but looking at the social, economic and environmental factors that are across the board, and also to do with the cruise ships and the impact they can have, I understand they do bring value to the site, but there is also balance in that cost and how that review will look at those things.

Mr HODGMAN - There are two separate pieces of work: there was the one that the Government has done with respect to our cruise ship strategy and analysis, and assessments done on current visitation and projected visits; the capacity for all ports, including regional ports, to take visitation -

Ms SIEJKA - Does that look at bunker fuel and whether that is released in some areas or not? When you look at the visitation numbers and cruise ships, do you look at those sorts of things as well?

Mr HODGMAN - Certainly with respect to the capacity, the infrastructure to accommodate ships and to what size and scale, and their suitability to each port in that regard but also environmentally and socially. It was really designed to get an assessment of what is an appropriate visitation for our ports. Port Arthur was considered as one of our regional ports in that process. The determination of the Access 2020 group was that it is quite capable of handling vessels to the extent that it does now, and it does provide significant benefit not only to the site but also to the broader economy, as many visitors will take the opportunity to see a little more of the Tasman Peninsula. That is one element of what the Government has been doing.

The carrying capacity study, which is still underway and will be concluded within the next -

Dr HARRINGTON - We will be workshopping the draft in February with a view that we have a final document hopefully a few months after that, before the end of the financial year.

Mr HODGMAN - It goes a little broader and, Jane, you might expand on that.

Dr HARRINGTON - It has been a very exciting, timely project for us. It is not about doing something reactive to a disaster zone, it is about doing something constructive and proactive to understanding we have a huge capacity and it is not even a challenge at this moment. It is about being able to ensure in the future we have sustainable visitation and that we continue to provide best practice, visitor experiences and best practice heritage management. At the moment we are covering the geographical entirety of the Port Arthur Historic Site, which is some 200 hectares. Most people see only about 35 hectares of land and it covers all the areas you have looked at. We are looking at it as a sustainable tourism study, of which carrying capacity is one element. We are very conscious of the impact tourism has on the community, so we see there needs to be community involvement on this. As managers, we obviously have responsibility for the land, as well as the heritage values. We have responsibility for the environmental values within our areas. So we are looking at all of those issues.

We are ranging from 'How do we make sure this minimises impact on heritage values' to things as simple as 'Let's not put too many people in a room where there is original wallpaper fabric to reduce a gentle rubbing against it too often'. You can manage this very easily.

Ms SIEJKA - I know, I took my nephew there last year.

Dr HARRINGTON - I hope you did not let him rub against the wallpaper.

Ms SIEJKA - No, I did not. I had to take him outside for quite a long time. He was in a mood.

Mr LARGE - It is really important to differentiate us from, say, Hobart or Burnie in relation to cruise ships arriving.

Ms SIEJKA - I have seen where they are and have been there just after the visitor centre opened.

Mr LARGE - They come in on tenders. For us it is like handling a coach.

Ms SIEJKA - Yes, but it is still the impact in the environment per se and it needs to be considered. One of the things in our briefings was the wider area surrounding the site that still includes historical sites. Would those groups be consulted as part of this? They have concerns about the capacity to maintain the tourists. A by-product of the increasing numbers is they are also visiting them on a greater basis and they were struggling to keep up.

Mr HODGMAN - You add in Three Capes and everything else.

Ms SIEJKA - That is right. We are talking about the Dog Line, the hall and such things.

Prof. SULLIVAN - Generally, the actual report commissioned on the cruise ships is very helpful to us, especially in the time limit of this. One of the things it says is that at Port Arthur there could be more benefit to various other local businesses and tourist attractions. Port Arthur is always very sympathetic to assisting people with heritage properties they want to open to the public. While there is certainly concern to make sure other sites within the area are looked after, from our

point of view this also probably fits in with our strategy, because we do not want 4000 people coming to the site at once. We would much rather we had more sustained travel from Port Arthur to parts of the region. This will mean we will be able to disperse - and this is exactly the issue we learned when I was working at Mogao in Western China - the visitors to different areas, not only having them coming to one place and then going to another place. These sorts of things will be part of our strategy.

Jane is perfectly correct about the carrying capacity and a better title for it would be a 'long-term sustainable tourism strategy'. As Jane says, we hope to have the brief finalised by the middle of next year. That will identify ongoing research we need to do. We need to go on asking the visitors what is affecting their enjoyment, how overcrowding might be affecting them, and how they would like to see the site and so on. We need to do some more research, as I have said, about different ways of moving people about the site, and so on. This will be an ongoing project. Yes, we are hopeful we can work with other Tasmanian agencies to learn from them and to get some general stuff.

CHAIR - Are organisations like the Eaglehawk Neck Community and Hall Association, and the Parks and Wildlife Services for that matter, involved in the carrying capacity report?

Dr HARRINGTON - Yes. The extent at the moment is less than it will be. First of all, as mentioned, we have a community advisory committee. The role of that committee is for people to bring their concerns or interests. I understand that someone from that group has expressed an interest in being on our community advisory committee.

Ms SIEJKA - They generally admire the work you do. They would prefer, I think, to be under the management of Heritage as opposed to Parks and Wildlife simply because of the heritage management aspects.

Prof. SULLIVAN - In terms of the position of Eaglehawk Neck etc., I think there is no argument that it is not a logical thing to do.

Ms SIEJKA - They could see the benefits in working with you, yes.

Prof. SULLIVAN - The board has made the Government aware that we are not saying, 'Quickly, quickly give us Eaglehawk Neck', but we are saying we will take that on in the right circumstances. There is a lot of community support for that.

CHAIR - Already there is a tourism development strategy from 2004 to 2006, and then there is a Parks and Wildlife strategic plan from 2007, but nothing has been actioned. It is time to get them all together and work on it.

Mr HODGMAN - It is certainly something that captures broader regional development planning. That involves other community stakeholders. There are additional investments budgeted for road upgrades on the peninsula and for facility upgrades at the Blowhole.

CHAIR - Signage, we hope. Signage is very low key.

Mr HODGMAN - There is a lot more we can do, but there has been an increase in our investment into infrastructure in the region to accommodate not only visitors to Port Arthur, but also the Three Capes and our parks.

CHAIR - Speaking of Port Arthur, I invite the member for Prosser, Ms Howlett, to ask a question. Thank you.

Ms HOWLETT - Could you please outline the Government policy to promote and support the tourism industry?

Mr HODGMAN - It is the site of a major drawcard for our 368 000 visitors to the site, a number of whom will also visit other attractions on the peninsula, hence the additional investments we are making more broadly, which are beyond the scope of this inquiry and the authority. They are designed to capture the best targeted investment by government to achieve not only greater visitor numbers, but also our regional dispersal strategies and yield.

Without wanting to stray into another area entirely, the Three Capes success has proven to be one where we can achieve both outcomes. This is fantastic for a region which historically has higher levels of unemployment. It is a very important investment in our visitor economy and very much leverages off the pulling power of Port Arthur, which continues to enhance the visitor experience. No doubt that will continue to be a great source of focus for the authority.

Other key things that the authority is doing may be of interest to the committee. I always speak of the value to our visitor economy, noting the heritage values of this extraordinary site. It is not the core business per se, but it is certainly a central part of conserving and preserving a world heritage site that also consumes a lot of effort.

This year the authority, through its management committee, adopted a new marketing strategy. Brochures, websites, advertising campaigns were revised to align with the new experience of what is a far-improved visitor centre. There has been a significant increase, 9.6 per cent, in visitors on the previous year. That 368 000 has grown, notwithstanding the disruption that came with the extensive work.

It is important also to mention that the Female Factory Historic Site has also experienced a record number of visitors, with 38 576 people visiting the site over the same reporting period, an increase of 14.9 per cent on the previous year. They come from all over the globe, but the number of Chinese visitors to Port Arthur has increased by 60 per cent on the previous year.

I commend the authority for its state and national accolades, which do not come easily. They are the product of the extraordinary quality of the experience that is provided and the hard work of the staff. It is a credit to them, but the significant thing is that it continues to keep this site as one of our nation's iconic tourism destinations. That has much broader flow-on benefits beyond the Tasman Peninsula and into our state's visitor economy; it has been a key driver.

Ms ARMITAGE - Premier, you mentioned the Chinese visitors, which is quite interesting. What do you put that increase in Chinese visitors down to?

Mr LARGE - I think we were one of the first sites in Australia to become China-ready. We recognised that this was a growth market so we employ Chinese-speaking staff. We do Mandarin tours each day. A lot of our signage is in Chinese, our brochures, things like that. Jen Fitzpatrick does a lot of the work in the social media framework and getting the message across. It is really interesting watching the Chinese, particularly having dinner, taking photos of what they are eating and bang, it is all the world. It is just extraordinary how savvy they are. We were fortunate

enough to participate in the state Government's wi-fi program. We are one of the biggest capturers of people that use wi-fi at the Port Arthur visitor centre. That was targeted a lot at the Chinese market. Just watching the Chinese, you can see they really enjoy it and we have been able to get a lot of information from our Mandarin-speaking staff about what they like. We think it is really crowded. On a big January day, they do not see it that way. They really enjoy the gardens, they enjoy the harbour cruise - not so much the Isle of the Dead. That is a bit different. They do enjoy the experience.

Ms SIEJKA - The ghost tours, I presume, would get a similar reaction from that particular background.

Mr LARGE - They have been a bit slower to take up ghost tours but are starting to now, which is good.

Prof. SULLIVAN - I know this is a bit to the side, but I think Port Arthur has been very adventurous in working with sites like the World Heritage site of Mogao in western China, with which we have a long association, 25 years. We have therefore had the benefit of professional visitors from there. When we began this program, certainly they had a lot to learn from us, but now I would say we have a great deal to learn from them as well. It helps us to have professional people from that site who have a real understanding of what Chinese needs are and what they want. Also, it is a sophisticated understanding of heritage generally to give us a range of advice. I think one of the reasons we got into this early was that we were relatively comfortable in a cross-cultural way with thinking about China.

Ms ARMITAGE - How are you continuing to market to the whole Asian area?

Ms McVILLY - Jennifer puts in a lot of time and effort with the state tourism authority, Tourism Tasmania, and joins their campaigns. She goes on their missions and works with them.

Mr HODGMAN - Yes, the authority was represented by Jennifer Fitzpatrick on our recent trade mission to China and is a central part of the pitch that we put into Chinese markets through our trade shows. The work Prof. Sullivan refers to is not to be underestimated either in the value of the exchanges and there is another one with the Dunhuang Research Academy. When I visited Xi'an, home of the terracotta warriors, another UNESCO World Heritage listed site, they have a lot of interest in what we do in Tasmania to preserve our natural, built and world heritage assets. There is a high level of awareness of the site among Chinese consumers and I am sure Jen would confirm that.

CHAIR - There is a nod from the back of the room.

Ms ARMITAGE - They talk to others and they spread the word.

Mr HODGMAN - Yes.

Ms ARMITAGE - With ghost tour visitors, in 2017-18 the site welcomed 368 862 day visitors, a 9.6 per cent increase. Yet the ghost tour visitor was down 11 per cent on the previous year. What do you believe was the reason the ghost tour participation was down on the previous year?

Ms McVILLY - There is probably a combination of things. There are a lot more ghost tours around nowadays. We were the original ghost tour in Tasmania. There

are others people can do. Perhaps our growth has been from cruise ships and Chinese visitors, and both of them cannot do ghost tours. It will never mirror that growth. Through our product development, we are looking at the night-time experiences to see if we need to revamp them and make them more contemporary, maybe use some technology somewhere. We have our eye on the drop in the figures.

Interestingly, going back to the visitor economy question earlier, our recent visitor survey showed 31 per cent of our visitors stayed a night in the Tasman Peninsula. That is great for our region. The ghost tour market is one we should tap into.

Mr ARMSTRONG - I have three questions on different areas. I was interested in the revamp of the visitor centre. Was any advice given to tourists that the site was under renovation?

Prof. SULLIVAN - Yes. We had the same problem with the penitentiary, an iconic building, with scaffold over it for nine months. For this we did a specific communication and marketing strategy. In the same way, we did a communication and marketing strategy, so people would know what the site was undergoing, would know the reasons and where they could get food and so on.

In general, yes, it is a crucial part of our strategy to always have a communication strategy. I do not know whether Anne or Jane would like to say anything more.

Ms McVILLY - Jennifer Fitzpatrick, our marketing manager, led the plan. This involved talking to agents, online, social media, websites and to our local community, which is one of our biggest advocates and everyone knew what was happening. It was good to see our numbers did not change in the period. We put this down to a successful communication plan.

Mr ARMSTRONG - That is where I was coming from. There were 26 ships docked for the year, how many did not dock because of bad weather and how do you manage when you have staff booked in?

CHAIR - Like Monday.

Mr ARMSTRONG - Yes and it was enjoyable down there on Monday. The weather was not great, but it was good to have a look.

Mr LARGE - We generally lose a couple of ships each year due to weather. Unfortunately, this year we have lost two out of three. Hopefully the rest will come. Like Monday - all the staff were at work and the captain did not pull the pin until just after 9 o'clock, so we were obligated to find them work for three hours and pay them. There were many staff so a lot of odd jobs were done on Monday, in ensuring we did get some work done.

CHAIR - No window cleaning?

Mr LARGE - No, it was too wet outside. Hopefully, if we find out the day before we can restructure rosters and let people know. With a late call, and it was probably the right one, as it turned out. I did not think it was at 9 o'clock, but as it turned out and we experienced, it would not have been much fun for a cruise ship passenger.

Mr ARMSTRONG - You touched on advisory committees from the area. Can you tell me who they are and how they are appointed? It was one of the questions I was going to ask down there on Monday but I never got the chance.

Dr HARRINGTON - We have terms of reference that are available. For example, down on the Tasman Peninsula we look for people such as , for instance, the principal of the school, someone from the local council, a representative from the Tasman Peninsula Historical Society, someone who represents fishing interests, someone who represents tourism interests, and we have people who represent the interests of the community more broadly.

The positions are not held. For example, we do not have a position which says, 'This will be filled by someone from the school'.

Mr ARMSTRONG - They are loose committees.

Dr HARRINGTON - There is a nomination process. The terms are every two years. Interestingly enough, on the basis of discussion with the subcommittee, I have made a recommendation to the board today for reappointment of certain members and for the appointment of new members. It is a board appointment. The decision is made by the board, the committee selects its own chair and the chair reports as an advisory committee to the board. Exactly the same thing happens at the Female Factory although, interestingly, there is quite a different demographic at the Female Factory because I think being in an urban area the interests do not come so much from the local community as from people who have specific interests in the Female Factory, so we have broader interests.

Again, we have someone from the school but also from the Female Convict Research Group and from the Convict Women's Press - so there are more people who are interested in the history of the site and how people engage with the history. Whereas with Port Arthur, as you can imagine, it is a far more passionate engagement of the community with how the site is part of their lived lives.

We set the community advisory committees up in 2010, and I think it has been one of the best mechanisms we have ever had for working with the community.

Mr ARMSTRONG - Are there terms of reference for the committee?

Dr HARRINGTON - Yes.

Mr ARMSTRONG - And there is a term for each member - a two-year term or four-year term?

Dr HARRINGTON - A two-year term. They can be reappointed for another two-year term and then, generally, we change them over - that sounds terrible. It is a rotating committee.

Mr ARMSTRONG - How many are on those committees?

Dr HARRINGTON - Twelve.

Mr ARMSTRONG - Are there two committees?

Dr HARRINGTON - There are two separate committees. I haven't mentioned that the board has convened a conservation advisory committee, which is more a

professional committee of people - experts from across Australia on that particular one - for example, with our history and interpretation centre, they will give the board external advice on how to move forward with our conservation issues.

Mr ARMSTRONG - Do the committees meet monthly? Is there a set agenda?

Dr HARRINGTON - The community advisory committees meet every two months, and the Conservation Advisory Committee meets at least twice a year or as needed.

Mr ARMSTRONG - Is there a committee for the Coal Mines, did I hear you say?

Dr HARRINGTON - The committee on the peninsula covers the Coal Mines as well.

Mr HODGMAN - It is worth noting as well that the authority's board itself has a community member on it. It is an important interface for the local community at the higher level of executive management.

CHAIR - Thank you. I am always mindful of time through these processes. Sharp questions and sharp answers would be appreciated.

Ms SIEJKA - You have quite a significant amount of expertise within your team and also within the community for managing historic sites, so I am curious whether you are consulted or notified when 'new' historic or convict sites are identified, such as the Kings Meadows site, and whether there is an opportunity for you to share your experience and knowledge and what the processes are for that. You have much to offer in that regard.

Dr HARRINGTON - We do. We are often asked to assist where we can and if we can, we do. We work very closely, for example, with our companion sites on the World Heritage listing and, of course, the sites on the peninsula. Two of our staff are meeting this morning with one of the owners of one of the probation stations.

We were made aware of the Kings Meadows discovery. I am an archaeologist so I am always very excited about those sorts of things. We are a strange group of people; Sharon is an archaeologist as well, so she understands.

We have been in communication with Heritage Tasmania, saying how excited we are about this find. We look forward to finding out more about it. We will assist if we can and if anyone asks us to.

Ms SIEJKA - Are there many archaeologists on the team?

Dr HARRINGTON - Some people suggest too many; for some reason we breed them.

Ms SIEJKA - I imagine it is the perfect environment for that to occur.

Dr HARRINGTON - Many of us do not work as archaeologists, as such.

Ms SIEJKA - But you use the background skills?

Dr HARRINGTON - Yes, we do. On staff we probably have five professional archaeologists, of whom only two would work their jobs; their job titles include archaeologist in it, but archaeology is a really interesting core skill set in broader heritage management.

Ms SIEJKA - But you have the capacity to share those -

Prof. SULLIVAN - We do.

Dr HARRINGTON - And we do, and we do get asked.

CHAIR - Less digging and more paperwork.

Mr FARRELL - A balance between tourism and heritage has already been discussed. There was a fair bit of concern from people around that area when the flight paths changed. I wonder if that has had an impact on Port Arthur as a site and whether the increase in tourism will create a bigger problem. Are there are plans for that? I know you cannot stop the planes, but it does change the feel of the area, from my experience.

Mr HODGMAN - I might just provide an overview, then Dr Harrington might expand further on the impact at the site. It is an issue more broadly for the east coast now. It is a matter we are pursuing with the federal authority, which has responsibility for managing aviation safety and flight routes. We are increasingly receiving feedback from operators over the length and breadth of the coast about this impact. It is something we need to monitor very carefully and ensure there is not a negative impact on the visitor experience to what is a remarkable place to go.

Dr HARRINGTON - I am happy to respond to that. I have been involved in the consultation with Air Services Australia. They are very concerned about it, but it has no impact whatsoever on the Port Arthur historic site. The main overfly, from time to time, is the Coal Mines Historic Site. Because it is quieter and more remote, it probably created more of an impact; however, that has been brought to the attention of Air Services Australia as part of the consultation.

They have moved that flight path so it now flies north of the coal mines area. They are very conscious that it is a World Heritage-listed site. From a statutory point of view there is the potential for impacts under the Environment Protection and Biodiversity Conservation Act. I think they have acted very responsibly. There are always flow-on effects if you move something. Something being moved remains a concern for us because of where community concerns might lie but from our perspective, we feel it has been dealt with very responsibly.

Mr DEAN - Earlier we discussed Eaglehawk Neck. I put a couple of my questions together. We did a report on heritage tourism about six years ago. A very strong recommendation came from that report that PAHSMA must take control of the Officers' Quarters premises at Eaglehawk Neck. It is not an area for Parks and Wildlife, and that there ought to be a change. I understood the Government was interested in that. I understand that PAHSMA, if there is reasonable funding provided with it, would happily take on the site. They ought to take it, as it is a part of Port Arthur and the history of the Tasman Peninsula. Have we advanced that? Are we moving forward on it, or has it been forgotten? You can drive in through Eaglehawk neck to Port Arthur, go across the neck and not realise any of the history or anything in the area. There ought to be something - and it has been mentioned

many times - either an archway, an entrance, an identifier that you are now entering a convict territory or whatever. There ought to be something there to promote the area.

CHAIR - The question is: do you agree?

Mr DEAN - No, not 'do you agree?'. I do not know whether you agree or not, but are we going to do something about it? Are we going to further this?

Mr HODGMAN - With respect to the first matter, it remains a topic of interest and a subject we will continue to work on with the authority. It does have budgetary implications to be considered, but that is not to dismiss the issue.

Mr DEAN - Obviously, Parks has a budget for that area, so there is a part of the funding.

Mr HODGMAN - That will be considered in future budgets and we note the report's recommendations and the arguments for this occurring.

Mr DEAN - That was six years ago. They were talking about it five or six years ago, so how many more years before we really do something about it? It needs work on it. We are told from briefings that the work in the area it is attracting visitors, so something needs to be done.

Mr HODGMAN - Yes, and I mentioned other infrastructure upgrades and investments we are making in the area. There is much demand on the infrastructure facilities, services and roads that have all received additional budget allocations this year and work is starting on each of those. It is a case of balancing competing demands, but is certainly a valid point. In relation to the second point -

Mr DEAN - One was the entrance into Eaglehawk Neck, the cost of the neck and so on. There is no real promotion or information centre; that has been talked about. PHASMA is the authority and would do a good job, and that is why we are pushing this. Is there any move to establish an information centre prior to entering Eaglehawk Neck or at the top of the hill?

Mr HODGMAN - Yes, we will certainly work with the regional tourism authority and the Port Arthur Tourism Association to find the best model, the safest and ideal spot to welcome our visitors.

Ms ARMITAGE - My questions are on accommodation, both for visitors and staff. I note you commented today about Federal Hotels and you have a meeting with them. Back in 2016, the last time you were here, it was fairly definite it was going to happen and development would be finished by the end of 2019. Port Arthur Villas were also mentioned. Have the cabins they were proposing been built? Mr Large said at that time that there was another development across the road from the site. Port Arthur Villas recently changed hands with a new purchaser intending to put up some cabins. Did that happen? Has accommodation increased there?

Mr LARGE - It has not happened yet, but the development application has been approved by the Tasman Council. It is going to happen, not initially on quite the large scale it was going to. There are obviously some water and sewerage issues to be sorted out before it can be expanded too much, but they are about to start, now the development has been approved by the council, with four cabins initially.

Ms ARMITAGE - Four cabins?

Mr LARGE - Going to, yes, as part of the development application. There are plans for substantially more accommodation, once the issue of sewerage and water is sorted out.

Ms ARMITAGE - How short would you be, particularly if Federal Hotels does not go ahead? It has been a long time and has been sitting there since 2004 when they bought the land, so it is looking fairly unlikely. How will you fare? What plans do you have if Federal Hotels does not ahead? Are you looking to go to other developers?

Mr LARGE - The plans are driven by Federal Hotels, because it owns the lease. We are frustrated.

Ms ARMITAGE - How short are you on accommodation with visitor numbers up and with people staying the night when they go on the Three Capes Track and other areas. How will that affect you?

Mr LARGE - Clearly, what the region needs is, if we don't get that -

Ms ARMITAGE - Do you have a plan if you don't get that?

Mr LARGE - Yes, we have already done some work - if the Federal development goes ahead, we lose that motel, which is half our coach market. There are only two hotels on the Tasman Peninsula that can cater for the coach market. Port Arthur Villas might take up some of that market, but we really need another 50- to 60-room development somewhere close to Port Arthur.

We, with the Tasman Council, did some work on this two or three years ago, looking at an accommodation opportunity analysis for sites that might be available for that sort of development, and that is a living document. I know some companies have looked at that. As the Premier said in his opening remarks, really, the industries and possible investors are waiting for a decision by Federal Hotels on that particular development. That has an impact either way on what happens in the future.

Ms ARMITAGE - Does it also have an impact - I note from the previous comments of two years ago that they were planning a hotel along the lines of Saffire.

Mr LARGE - That's correct.

Ms ARMITAGE - Is that of benefit to you, or do you really need something that would cater to a more general market?

Mr LARGE - If we had something like Saffire, it brings that -

Ms ARMITAGE - But it's limited, that's all, I'm just thinking it is.

Mr LARGE - Yes, that high-level, high-spend visitor to the peninsula. We do not have that there now.

Ms ARMITAGE - But you are losing a low spend in the motor inn. So you need another as well.

Mr LARGE - That's why we need another 50 to 60 rooms down there. Not on the site, but in proximity to Port Arthur.

Prof. SULLIVAN - The board has been very concerned to do this work with Tasman Council to provide information and opportunity for people. As our CEO says, I think one of the issues for commercial development is that they are waiting to see what happens with the Federal Hotels development.

Ms ARMITAGE - Have they a time line for making a decision?

Prof. SULLIVAN - We hope to talk about that with them today.

Mr HODGMAN - The authority is meeting with Federal Hotels today?

Ms ARMITAGE - Yes, I knew that. I just wondered whether a time line had been put to them that you really needed to know.

My last question on the accommodation was about staff. Do you find it difficult recruiting staff because of the location, and is there a lack of accommodation for staff in the area? I know at Freycinet and Coles Bay, they have trouble recruiting.

Mr LARGE - There are various accommodation outlets on the site, but, yes, it is a challenge, even more so with the growth in Airbnb.

Ms ARMITAGE - I was going to ask you whether short-stay accommodation had made a difference.

Mr LARGE - Yes, that has definitely made a difference. I don't think we have lost staff because of that, but -

Ms ARMITAGE - Is it hard to recruit because of that, because they have to find somewhere to stay?

Mr LARGE - It is a challenge, yes.

Ms ARMITAGE - You don't provide accommodation, obviously?

Mr LARGE - We do.

Ms ARMITAGE - You do? You have some?

Mr LARGE - Yes, but that is often full in the busy period when you need it. January and February is when people are using their shacks.

Ms ARMITAGE - So long-term accommodation is difficult for staff?

Mr LARGE - Yes, yes.

Ms ARMITAGE - Still on staff: how many Mandarin-speaking staff do you have now? I think you had eight when last we asked. I just wonder if that has increased.

Ms McVILLY - We have lost a couple and gained a couple, so it's about the same, eight or nine.

Ms ARMITAGE - Still the same?

Mr LARGE - Yes.

CHAIR - While we are on staff, I would be interested in the staff on the books. Back in 2016 there were 200, which worked out to approximately 156 FTEs. Numbers would be good. Also, are there any salary or reward issues with the staff? Is there a claim going on?

Mr LARGE - Well, all our staff are state servants, employed under the State Service Act.

CHAIR - Okay, so there is an ongoing claim?

Mr LARGE - We are part of the public sector. We have our own award, so we are negotiating with the CPSU on issues unique to PAHSMA rather than the actual salary. A couple of other issues are handled by the State Service Management Office.

Mr HODGMAN - As at 30 June, the authority employed 173 people, or 115.62 full-time equivalents, which increases to around 162 FTEs in the peak summer period.

Mr LARGE - We put on a lot of people for the summer season.

CHAIR - Is that a three-month appointment? Longer?

Mr LARGE - No, longer than that.

Ms McVILLY - I think the catchment area has grown. People are happy to travel from Sorell, Dodges Ferry and Lewisham rather than travel into the city. We are an attractive employment offer now because we are the same distance from the city.

CHAIR - There is some inactivity on a couple of workers compensation claims. Are they something that the team is -

Mr LARGE - They are always a challenge. I think we have seven or eight outstanding workers compensation claims at the minute, which keeps our human resources manager active. We manage those as responsibly as we can and are endeavouring to get all those staff back to work as soon as we can.

Mr ARMSTRONG - We heard on Monday that when cruise ships come in, many other tourist operators in the area go out into other areas. Could you give me a rough percentage of how many of those people go to the other areas? It is a huge income, I suppose, for those other tourist operators in the area?

Mr LARGE - It might be better if Anne, who looks after cruise ships and also sits on the national board of the Australian Cruise Association, responded. It obviously was an issue that came out of the cruise ship report the Premier alluded to earlier. There was a real opportunity in our particular region to disperse visitors from the site as part of their cruise ship experience coming to Port Arthur.

Mr HODGMAN - Broadly the impact of cruise ship visitation to Port Arthur is quite significant, not only as evidenced by our review but also anecdotally. If you visit any local business they will tell you how busy it can be for them at peak periods.

While we need to be very conscious of not oversaturating the market and ensuring there is a good experience and while there are pressure points in other ports, our review found that Port Arthur has capacity to manage current and increasing visitation.

Ms McVILLY - Last year 11.9 per cent of the passengers who came to Port Arthur went out into the region. I think they did organised tours with the ship. There is no other way you could get to the lavender farm or the Tessellated Pavement. We work with local operators to put a bus together that might, for example, go to the Tessellated Pavement, go on to a wine-tasting with Fred Peacock from Bream Creek Vineyard and then stop at the lavender farm for afternoon tea and then back.

We are working with McHenry's Distillery, Hellfire Bluff Distillery, Bream Creek Vineyard, the Coal Mines Historic Site, the Port Arthur Lavender farm, the Tasmanian Devil Unzoo, and the Federation Artisan Chocolate Factory as well as taking in the geological features, to put together some great tours for people. The figure of 11.9 per cent is one we could definitely grow in the future. and we are working proactively with our local operators to find some tours.

A report has just been released, which I have not yet shared with the Premier. It is the Australian Cruise Association's Economic Impact Study, an Australia-wide document, which has indicated in the last financial year the economic impact to the Tasman region of cruise ships was \$5.41 million.

Ms SIEJKA - Being such a major employer on the Tasman Peninsula, there would be a responsibility to have a buy local policy in place, or to make that a priority. I want to know a little about that policy and what percentage of things like food and beverage, gifts and even marketing materials and brochures is local. There is so much opportunity to try to improve all of these aspects for the region. People want to see local things. Is there a percentage for local products that you aim for?

Ms McVILLY - We support the Government's Buy Local Policy. I am proud to say our gift shop has at least 25 per cent local product, whether it be local wines, local chocolates or local crafts.

Ms SIEJKA - Can you define local? Is it local region or Tasmanian?

Ms McVILLY - Tasman Peninsula, from Sorell down. Then we go to Tasmania and Australia, where we can. We try not to go internationally. We have amazing produce in our region. From memory, our 1830 Restaurant and Bar's menu is about 80 per cent local and the wine and beverage list is 90 per cent from our region, which is great.

Ms SIEJKA - With the marketing material, do you go so far as printing of products, the brochures and the guide books and those things?

Ms McVILLY - All printed in Tasmania.

Mr LARGE - They are printed in Tasmania, not on the Tasman Peninsula.

Ms SIEJKA - With a small region like this, is there much scope to impact the local economy in that way?

Ms McVILLY - We have a partnership with a local production company to do historically accurate performances over the summer. We are very lucky.

Mr FARRELL - I notice with your remuneration, short-term incentive payments do not apply to your organisation. I have more broader questions about this later and wonder why that is the case. No-one seems to have any short-term incentive payments.

Mr LARGE - I will need to take that on notice. I had not picked it up. It has been nil forever, so there must be a good reason.

Mr FARRELL - Yes, short-term incentive payments do not apply to Port Arthur Historic Site Management Authority.

Mr LARGE - There must be a definition of it and I will come back to you on that.

Mr FARRELL - Thank you.

CHAIR - Depreciation appears to have increased considerably. Can we have some explanation?

Mr LARGE - It is probably to do with the new visitor centre, and given its value now coming to our balance sheet obviously, there would be a higher level of depreciation, even though it is a new building. That would be the reason for that.

CHAIR - Can this be confirmed, thank you, Stephen, at a later time?

Mr LARGE - Yes.

CHAIR - The committee is happy to take that by email or whatever so we have it for our records. Much appreciated.

Mr DEAN - We were told the authority manages wastewater treatment areas. Why should that be the case? I would not have thought PAHSMA ought to be spending time on this. It ought to be a matter for TasWater. It is a TasWater area. What is the position with the management of the wastewater, the treatment and sewage from that site and why is TasWater not involved in the process?

Mr HODGMAN - You have summarised it adequately. Up until recently it would not have a question for me, it would have been for TasWater's owners. Following the MOU we struck with TasWater, a world of opportunities has opened up for us to work more closely and collaboratively with them, including where the Port Arthur Historic Site operates its own water and wastewater treatment infrastructure. As a result, we will now be able to have discussions more actively about a more suitable longer term arrangement.

Mr DEAN - What is the current position with the management of wastewater and sewage from the site?

Dr HARRINGTON - We run it 100 per cent ourselves. We manage and administer it, and we own and operate the technology. We have a small number of nearby local businesses or small residences attached, mainly on the waterfront. We have deemed it inappropriate to extend any further attachments. That is sewer and wastewater attachments, not personal attachments because I do not think anyone cares that much about wastewater. It is an issue we need to look at. It is not a core

business for us to be running our own wastewater and water, but we operate it responsibly and liaise with the EPA responsibly.

Mr DEAN - That is the reason I raised it. It would not be a core responsibility for PAHSMA. Are there any negotiation currently taking place with TasWater?

Mr HODGMAN - There will be and there is a torturous history attached. An opportunity was missed some time ago, but a new one now presents itself with the MOU we recently struck with TasWater, so we can more constructively work with them, on this and other matters.

Mr DEAN - With increased visitation to the site, it has to be a fairly big issue for the authority.

Prof. SULLIVAN - It certainly is one of the limiting factors which we have already determined for our carrying capacity. It is a bit obvious really. We need the opportunity with TasWater to be able to look at that in the long term.

Mr LARGE - In relation to Mr Farrell's question, I am told that column 2 relates to some GBEs that, unlike us where everybody is a state servant, have staff who are not state servants. It relates to that column. That will save me researching and sending an email.

Ms SIEJKA - I was going to ask about how the water and sewerage infrastructure is keeping up with demand, but Mr Dean addressed that.

Mr HODGMAN - Yes. An assessment has been done recently by GHD to determine how -

Dr HARRINGTON - We are keeping up with demand. The system is more about recovery time on a given day. Overall, it is fine. It is a well-working system, which is a credit to the guys we have working with us who look after it. They won't let me help - I tried.

Mr DEAN - Access for the elderly and disabled people to the site is an issue that has to be managed. What is happening on the site? We experienced some of this on Monday, which was wonderful, and saw what was happening. Can we have an explanation of exactly what is happening in there to manage this side of the visitors?

Mr LARGE - We have a number of people-movers designed for people with mobility difficulties, but they are used by pretty well everybody because it is a large site for people to get around, certainly in the time frame they have to be there. That is one of the main issues.

One of the advantages of having a brand-new building is that access and new lifts and things like that have been taken into consideration. It is a large site and visitors need to be careful when they are going up to the old hospital or Smith O'Brien's cottage. We have signage which tells people to wear appropriate footwear and things like that. We are doing what we can and we are very conscious of workplace health and safety at the site.

Mr DEAN - With the cruise ships and people wanting to see the site from there, are your resources able to keep up with the demand for that service?

Mr LARGE - Absolutely. It was a real shame you couldn't see a cruise ship in Port Arthur on Monday and the way we structure some of infrastructure around that by moving a retail operation down there, having a food van, guided tours starting from there from where they get off the tender. It works really well.

We are still learning, but we have a fair bit of experience with the cruise ships now, and I think we handle that very well.

Ms SIEJKA - I have a question about the ticketing system that is in place and the lanyards. Having been through it a couple of times this year, I know there are site checks and then you have lanyards. I wondered about the potential for people - which I have seen in other sites as well - who slip the rules and hand lanyards to other people and that sort of thing. Are you aware of that happening and what you are doing to mitigate that risk? The reality is that it happens everywhere, but it is revenue s potentially lost by that practice.

Ms McVILLY - Because we have a two-day pass, we want people to come back, but if we don't have this, there are many ways you can get into Port Arthur rather than through the visitor centre.

Ms SIEJKA - Through the caravan park.

Ms McVILLY - We train our staff to ask quietly, if someone is not wearing a lanyard, that they go to the visitor centre. Even locals who have access to the site, we like them to report in at the visitor centre so we can record our numbers and give them a lanyard. But we do know it happens. We are looking at other sites to see what they do to identify that. A project Jane is undertaking this year is a bit of a security audit.

Mr DEAN - I am sorry, you are going to have to speak up with this silly background noise we have.

Ms McVILLY - We are doing a security audit as a project for this financial year to look at different ways we can manage visitor creep. I think Lonely Planet had a guide about of how to get into Port Arthur without paying; we asked them to remove that and believe they have done so. All our funds go back into the conservation of the site, so it is really important we send that message out to people.

CHAIR - We very much appreciate the opportunity, Premier, to have this scrutiny of the Port Arthur historic site. It is such a valuable asset for Tasmania and for the world.

I thank members for their questions and I thank you particularly, Mr Large, and your team for their answers and, again, thank you for the hospitality on Monday. We will be back. Thank you.

The committee suspended at 10.20 a.m.

**Wednesday 5 December 2018 - Legislative Council - Government
Businesses Scrutiny Committee B - Metro Tasmania Pty Ltd**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 5 December 2018

MEMBERS

Ms Armitage (Deputy Chair)
Mr Armstrong
Mr Dean
Mr Farrell
Ms Howlett
Ms Rattray (Chair)
Ms Siejka

IN ATTENDANCE

Hon. Jeremy Rockliff MP, Minister for Infrastructure

Ministerial Office

Mr Vince Taskunas, Acting Chief of Staff
Mr Adam Foster, Infrastructure Adviser

Metro Tasmania Pty Ltd

Ms Megan Morse, Chief Executive Officer
Ms Anita Robertson, Company Secretary
Mr Michael Harris, Chairperson of Metro Board

The committee resumed at 10.33 a.m.

CHAIR (Ms Rattray) - Thank you very much for joining us today. We invite you, as always, to provide an opening statement, and then open it up for questions.

Mr ROCKLIFF - I will keep it as brief as I can, Chair. Thank you for acknowledging the importance of Metro Tasmania to Tasmania. To my right, the Chair of Metro, Michael Harris, and the CEO, Megan Morse.

CHAIR - Welcome, and congratulations.

Mr ROCKLIFF - Yes, welcome to both. Anita is in the back if we require her assistance.

After taking responsibility for the Infrastructure portfolio in March this year, I have thoroughly enjoyed the opportunity to become more familiar with Metro and its operations, and that continues.

Public transport has been acknowledged by yourself, Chair, as a crucial part of our overall transport system, helping to increase connectivity and reduce traffic congestion.

Metro connects people with work, school, health services and community events. In 2017-18, there were over 8.2 million individual journeys taken with Metro. This follows five consecutive years of patronage growth for Metro and reflects the organisation's efforts to increase and improve the passenger experience and provide a reliable, safe and efficient service.

Metro again offered the successful free before-7 a.m. promotion from 29 January until 23 February this year to help reduce back-to-school congestion and increase Metro's capacity during peak travel periods. As a result of this promotion, Metro recorded a 10 per cent increase in patronage by adults before 7 a.m. compared to the same promotion period in 2016, with a 26 per cent reduction in instances of buses reaching their full capacity. There was also very strong growth in interaction with the promotion on social media compared to 2016, which reflected the community interest and appreciation for the initiative.

The accelerated bus replacement program saw the first delivery of new buses into the Metro fleet in 2017-18. The new buses have distinctive black front and rear bumpers. A number of them are now in service, both in Hobart and Launceston, offering vastly improved passenger comfort and capability over the buses they are replacing.

As you would be aware, the buses are built here by Elphinstone in Tasmania. I have had the opportunity to inspect the buses myself. I assure the committee that it is a world-class product. For those of you familiar with Elphinstone, this is not a surprise. They are an asset to the north-west and to Tasmania. It is not just Elphinstone that benefits from this investment, but the many local companies in the supply chain ensuring that buses are fitted out with locally produced content.

Wearing my other hat as the Minister for Advanced Manufacturing and Defence Industries, it is very important we recognise local manufacturing capability and invest in that capability when we have the opportunity to do so. The advanced bus replacement program is an excellent demonstration of this.

Metro has been tasked with the implementation of one of the Government's higher profile election commitments in the form of the Hobart-Bellerive ferry service. Hobart is ideally placed to host a commuter ferry service. That is why the Government has committed some \$2 million to the establishment of this service. Legislation to allow Metro to operate a ferry service was passed earlier this year, receiving unanimous approval in both Houses of parliament.

Metro Tasmania is now undertaking an options analysis to ensure the specification and supporting infrastructure of the service will align with Hobart's

transport needs. This analysis is being performed by a leading transport consultant, MRCagney.

As part of the analysis, community forums were held in both Hobart and Bellerive to ensure that all interested parties had a chance to have their say on the service. Metro also ran online surveys to collect broad community feedback. I look forward to receiving the final report later this year.

I take this opportunity to acknowledge the years of service of Mr Michael Harris as Chair of the Metro Board, and acknowledge his service to the Government more broadly, including most recently as the independent chair of a group hearing of the Tasmanian Fire Service Act.

Mr Harris has today been announced as the new ACT Auditor-General and will commence that role in February 2019. Mike, we congratulate you on that. Thank you for your exceptional service to Metro and to Tasmania.

Mr Harris has been the Chair of the Metro Board since 2013 and has overseen a period of strong patronage growth, network revitalisation and fleet upgrades. He leaves Metro well positioned for the transport challenges of the future. In my time as minister with the responsibility for Metro, I have appreciated Mike's wise counsel and his enthusiasm and passion for public transport. On behalf of the Government, I wish Mr Harris all the very best in his new role.

I commend the Metro Board, its Chair, the Metro executive team and all the Metro drivers and employees for what has been an excellent year. I have met a number of them as I have travelled to the Burnie, Launceston and Hobart depots. They do a great job operating a public transport service day in, day out, all through the year. I know I speak on behalf of many Tasmanians who are appreciative of the service Metro provides to the community.

Thank you very much.

CHAIR - Thank you, minister. The committee would also like to express its best wishes for the work of Mr Harris and also wish you all the best in your new role in the ACT. I am not sure that you will enjoy it as much as Tasmania, but you never know. I will ask Ms Armitage to begin the questions.

Ms ARMITAGE - Thank you, Chair, and thank you, minister. My first questions relate to the replacement of the fleet to comply with disability standards. I noticed that under the anti-discrimination law, the entire fleet is to meet disability standards under accessible transport by 2022. In 2016-17 you entered into an agreement to buy low-floor buses that are wheelchair-friendly. I am just wondering what the status of the program is against the budget, how they are going and are they on track to achieve 100 per cent of buses with low floors by 2022?

Mr ROCKLIFF - My understanding is that we are on track, and I will throw to Megan in just a moment. Our commitment is for 100 buses. That is a \$31 million investment. When we last launched a bus in Launceston, there were also questions about disability access. All the new buses most certainly comply with the Anti-Discrimination Act. They have a low floor. It is a \$45 million total contract price. They are very much compliant. It is a necessary and good thing to comply with the Anti-Discrimination Act. My understanding is that all the buses with those specifications are rolling out on time and they are a very good product.

Ms MORSE - We are delighted with the progress of the accelerated bus replacement program to date. The twenty-first vehicle was delivered under the program in Launceston earlier this week, so we now have 17 vehicles in service in Hobart and four vehicles in service in Launceston. Even just those 21 vehicles have made a significant difference to our DDA compliance. Prior to the first of these new vehicles entering the fleet, we were fully DDA-compliant on Sundays only across our three networks. We are now fully compliant across Saturday as well and we are making very steady progress. We are knocking on the door of 70 per cent and we will be well into the 80s by the early part of next year and will be fully DDA-compliant.

Ms ARMITAGE - Is it helping with patronage numbers, do you believe?

Mr MORSE - Indeed. I guess all of those elements feed in -

Ms ARMITAGE - And you are seeing some trends?

Ms MORSE - Yes, they feed into patronage. There is a wide range of Tasmanians who find boarding a bus difficult. Whether that is someone who uses a mobility aid, whether it is young families with prams and so forth, there is a wide range of Tasmanians whose access to our public transport system is enhanced by low-floor vehicles. We are looking forward to reaching 100 per cent compliance, but we are delighted with how much progress we have made over the first year of the program - 100 per cent on time in terms of our delivery so far.

Mr ROCKLIFF - Low-floor buses were used to deliver 65 per cent of services statewide in the six months to June 2018. Metro is on schedule, as Megan has said, to have 100 per cent low-floor accessible buses by early 2021, well ahead of the target of December 2022. More to your question as well, there has also been some implementation of additional measures to support passengers living with disability and those experiencing other access challenges by convening three regional consultative forums that regularly engage with 27 community groups to collaboratively identify and remove access barriers. These improvements allow Metro to better meet the transport needs of people with disability, their families and carers in order for them to participate fully in community life, which is the reason for your question. We will continue that rollout and that is exciting for many Tasmanians.

Ms SIEJKA - As the buses are being introduced, and you mentioned at first only Sunday was fully compliant, do you take into account which particular routes are prioritised to bring in the compliant buses and how do you go about that?

Ms MORSE - I am happy to respond to that. Certainly, wherever possible, our wheelchair-accessible and low-floor vehicles are allocated to our higher volume routes. In the Hobart and Launceston context, our Turn Up and Go corridors denote frequency and patronage. Our Burnie network has our highest level DDA-compliance, as we had some renewal in the fleet in the three years prior to this program commencing. We are very mindful of trying to maximise the availability of those vehicles and how we have achieved a level DDA service-compliance that has exceeded the capacity of our fleet.

Ms SIEJKA - There would be routes that primarily service aged care homes, Southern Support School and like places. Do you prioritise those areas?

Ms MORSE - We do; with reference to our earlier comments, access challenges are very widely experienced throughout our communities, so it is not necessarily limited to specific geographical locations, but instances where we know someone is travelling with Metro on a regular basis who has particular requirements. It is the part of the beauty of Tasmania - we are connected enough to our community to know where some of those allocations are going have more impact for people who want to travel with us.

It is such a good news story for us over the next couple of years, in being able to say it will be every bus on every service every time - it is a very different proposition to having to check a timetable to see whether it will be a low-floor vehicle or not.

Ms SIEJKA - Absolutely, I am aware there are wheelchair-accessible buses, but many elderly people also need the low buses simply to be able to get on. There are huge possibilities in ensuring they would be prioritised on those buses.

Ms MORSE - Absolutely.

Mr DEAN - Probably about 10 years ago we were told Metro would be moving towards gas and electric as we have seen in Adelaide. I am not sure how far they gone in Adelaide and some of the other areas. Is there any move in that direction? What are the new buses powered on and what is their economy rate?

Mr ROCKLIFF - In terms of environmental standards, the new buses are world class.

Mr HARRIS - Euro 6 diesel engines.

Mr ROCKLIFF - Further to this we will get some detail for you, the important thing to recognise from the new buses is they can be retrofitted with electric engines. I will not say easily, but there is a space for them. The diesel motors can come out - and Mike will correct me if I am not right - the electric motors can come in easily. There is quite a difference in price. My understanding is an electric bus today would be around \$900 000 to \$1 million whereas our newer buses are around \$450 000.

We are waiting for the technology in regard to storage and capability of electric buses and we have some challenging terrain and range. Electric buses work best travelling on average, around 18 kilometres per hour. Tasmania's routes are, on average, about 27 kilometres per hour.

Mr DEAN - Is that the speed of the bus?

Mr ROCKLIFF - Speed of the bus on average. We waiting for enhanced technology before we would consider retrofitting electric engines. Cost, storage, range and terrain are our challenges at the moment. We are on track to look at this.

Mr HARRIS - There are trial electric buses operating in Adelaide at the moment, manufactured by the same company who manufactures our buses. They have technical challenges at the present time. The technology is developing and is still classified as developing technology and price is a considerable factor. Range is an important factor. Frequency of recharge is another issue. Size, weight and batteries, storage capacity factors and terrain here not entirely electric vehicle-friendly at present.

Mr DEAN - The economy rate of the new motor is obviously significantly better, I take it.

Mr ROCKLIFF - It is. As the Chair said, Euro 6 standard diesel engines are the lowest emitting diesel engines on the market at 94 per cent less nitrogen oxide and 96 per cent less particulate matter emissions than the buses they are replacing; a big improvement.

Mr HARRIS - Absolutely world class.

Mr ROCKLIFF - Hats off to Metro. Despite the challenges of where electric vehicles are at the moment in terms of buses, that foresight to be able to retrofit in the future is commendable.

Mr HARRIS - In terms of economy rates, we are operating at 38 litres per 100 kilometres. When we did the business case for the fleet renewal, we assumed we would achieve 40 kilometres per 100 litres. We are doing better than that at the present time.

Mr DEAN - What is happening to the old buses? I take it that with the new buses coming in the old ones are going to be sold?

Mr HARRIS - Sold on the second-hand market.

Mr DEAN - What is the return to the state? Are we doing okay with that? If they are on the market here in Tasmania, I would think there would not be a great demand for them. What is the position? What sort of return are we getting?

Mr HARRIS - A lot of them go into school bus fleets. They are very sought-after vehicles. Some of the articulated buses end up on blocks of land as moveable shacks, for want of a better description. Our vehicles are extremely well maintained through their life. Despite their age being above 20 years - some of them are approaching 30 years - they are still very well-maintained engines. Resale value -

Mr DEAN - Roughly what value are we getting for them?

Mr HARRIS - It varies depending on the bus.

CHAIR - I think Megan has the answer.

Ms MORSE - They are being disposed at quite a mature age, consistent with our earlier remarks. Their writedown value is fairly low by the time they leave the Metro fleet. They have varied in price between \$24 815 plus GST to \$3261, depending on the type of vehicle being disposed, how many kilometres it has done in service and the condition it is being released in. Some of the vehicles have proven to be more valuable to our business as parts. We have a significant number of this vehicle type in our fleet over the next three years. In some instances, rather than disposing through resale, harvesting parts from the vehicle has proven to be a more economically viable strategy for us. They go to a range of places.

Ms HOWLETT - Minister, as far as patronage figures are concerned, can you tell me what they are for 2017-18?

Mr ROCKLIFF - In 2017-18 Metro enjoyed its fifth consecutive year of patronage growth with, as I said before, 8.20 million first boardings. This equates to

a total patronage growth of about 1.6 per cent across the state on a like-for-like basis. Of this increase, adult patronage is a standout, with full-fare paying adult journeys growing by over 7 per cent this year alone, and over 16 per cent in the last two financial years.

This growth can be attributed to the launch of the new Hobart network in January 2016, which was a simplified zone fare system implemented in January 2017, and a range of ongoing improvements Metro has made to improve customer experience. Increasing Metro patronage also helps to take cars off the road and reduce traffic congestion. We are all aware of those challenges, particularly in Hobart. The increase in Metro's adult patronage for the year equates to 120 000 additional journeys made by bus, which is an important and valuable contribution, of course, to congestion reduction.

By increasing patronage Metro is helping to contribute to more connected, liveable communities. It is good to see that more Tasmanians are embracing travel by bus and enjoying the excellent service Metro provides.

I have toured the site at Hobart which was very interesting for me for a number of reasons. Yesterday I was there looking at the park-and-ride facility. I thought it was a big carpark next to a shopping centre when I first saw it, but the park-and-ride facility was full and looks like it is working well. I guess it can also signal future opportunities.

Mr ARMSTRONG - Excuse me, where was this?

Mr ROCKLIFF - The Springfield depot.

Mr HARRIS - The corner of Springfield Avenue and Main Road.

Ms SIEJKA - I am sure this would apply to other regions, but in the Clarence and Kingston regions in particular - with increasing traffic volumes - is there potential to have more park-and-ride? In the Clarence region it was suggested perhaps near the Cambridge Airport has the potential for another park-and-ride being introduced. Is this something that might be explored in the future?

Mr ROCKLIFF - In terms of exploration?

Ms SIEJKA - People can park-and-ride anywhere, as Mr Farrell told me.

Mr ROCKLIFF - We are somewhat reliant on local councils for the provision of space for park-and-rides. We do not set out to invest in land ourselves if we can avoid it.

Ms SIEJKA - It would require a number of parties working together, so it would require some leadership.

Mr ROCKLIFF - We have had some discussion with Kingborough Council in relation to the park-and-ride facilities there. I am not aware we have had any with Clarence yet, have we?

Ms MORSE - Our door is always open and you have highlighted the notion that it is usually something done collaboratively, so they obviously need to be in attractive locations within our network. As both Michael and the minister have highlighted, the

availability of land is normally either a local government or a state government partnership.

We are increasingly aware it is not only motor car drivers we are attempting to accommodate through park-and-ride. We are increasingly mindful of the ability to co-locate ride-and-rides with cycle parking. Certainly, at the moment Kingborough is the only local government that provides bike parking as well as some car parking, for people who want to then access the public transport network for the balance of their journey.

Mr HARRIS - Our door is always open.

Ms MORSE - But again our door is open.

Ms SIEJKA - I would suggest for the Clarence Council region there is potential to explore this and they would be keen to further this.

Ms HOWLETT - In relation to those figures for 2017-18, you would have had a considerable customer feedback from those figures.

Mr ROCKLIFF - Yes, we have. We have a satisfaction survey and this confirmed that the vast majority of passengers are happy with the services Metro provides, which is good and I commend the Metro team. Eighty per cent of respondents were pleased with the service provided by our drivers and over 70 per cent of respondents were satisfied with the route directness and coverage, travel time and fares - high numbers, which is good. Nearly half of respondents used the bus to link to study and more customers identified work and shopping as their reason for using public transport than before.

That is suggesting Metro's ongoing network development is better meeting the needs of commuters. Importantly 84 per cent of respondents are satisfied with personal safety in relation to Metro services. As safety is Metro's priority, this is the feedback we are very pleased to receive.

In the financial year 2017-18 Metro delivered three safety campaigns focused on respect, giving way to buses and pedestrian safety, and implemented innovative and industry-leading safety reform for which it was recognised and should be congratulated as the inaugural winner of the Tas Bus Safety Award, at the annual conference. I attended the annual conference and congratulate Metro. Those survey results point to good satisfaction from customers; no-one is resting on their laurels about continuous improvement, but those results are a reflection of the entire organisation, both at executive level and, of course, our drivers and employees.

Mr HARRIS - One of our recruitment strategies is to actually recruit potential drivers who express an interest in customer service and customer satisfaction. That is one of the key elements to our recruitment process, and that is reflected in our survey results as a consequence.

Ms HOWLETT - How many female drivers would you have?

Mr HARRIS - Not enough.

Ms MORSE - Our workforce make-up is about four men to one woman, and we have found that matrix difficult to move. In saying that, our board is equally represented. Our executive has had more women than men on it over recent times, so

we are certainly making progress in some areas of our business. But particularly in our operator workforce, we would certainly love to see a higher percentage of women behind the wheel at Metro.

Mr HARRIS - Each of our last four intakes has had at least one female amongst the intake. We are making progress, but it's hard work sometimes.

Ms MORSE - They are big numbers to shift, with a four-to-one imbalance at the moment.

Mr ARMSTRONG - What time do the buses start of a morning, and what time do they finish of a night with the last run? How do you handle security and safety, not just for the passengers but for the drivers when most likely late at night, I would say, would be the biggest issue? Not so much of a morning, but late at night. How do you handle the safety?

Ms MORSE - I might lead off. Our hours of service vary a little bit in each of our networks and on different days of the week. We start a little bit later on weekends, for example, but we also run further into the night on a Friday night and on a Saturday night than we do on weeknights and Sundays.

Our Hobart network wakes up the earliest and runs the latest, with Launceston having the next biggest span, and Burnie having a slightly smaller span again. That is reflective of the size and complexity of our networks. Those parameters are actually set by State Growth as our purchaser, so those decisions about span are determined by contract.

In terms of safety -

Mr ARMSTRONG - What time does your first bus go on the run?

Ms MORSE - I might have to take that question under notice, I'm sorry. Is it the very first bus?

Mr ARMSTRONG - Yes?

Ms MORSE - It's in the vicinity of pre-6 a.m.

Mr ARMSTRONG - That's okay. Just a ballpark.

Ms MORSE - Yes, I'd have to take that under notice. On weekends, we are on the road past midnight on Friday and Saturday nights. We run a 25-hour day on Fridays and Saturdays, which always confuses people a little bit when we talk about the twenty-fifth hour.

As to safety on our vehicles, I guess like in many organisations and many contexts in community life now, CCTV is a very big part of the passive surveillance we provide within our networks. Each of our vehicles has eight CCTV cameras on it in key locations within the vehicle. We have a very clear line of sight for our drivers; we also have a very clear line of sight in the areas where our buses are most frequently damaged by other road users. For the ability to understand how an incident occurs, the location of those cameras has been very deliberately chosen. That is a key strategy for us.

As the minister had said, we have certainly been very active in our business in talking to our community about the importance of people behaving in a safe and appropriate manner, whether that is towards other passengers or towards our operators. We have a very high sense of duty of care to people who are out in the network.

At the core of those questions would be those strategies.

Mr HARRIS - We also have constant radio contact between every bus and a base. We have radio rooms in Hobart in constant contact with all buses on the road, and the same in Launceston. The Launceston base covers Burnie as well.

Ms MORSE - In Hobart we have a memorandum of understanding with Tasmania Police where we have two members of Tasmania Police allocated to Metro - 'Metro police', I guess is how we refer to them within our business. They provide an excellent service to us in being based with us in Springfield and being very responsive to us. The attribution of those officers to our business ensures that there are able to respond in a timely fashion to any incident that might occur. They are a very important liaison to us in other areas of the state or for other instances the Metro-allocated police have not responded to. That relationship with the police is very valuable to us.

Mr HARRIS - They will sometimes travel on the buses in plain-clothes if we have incidents occurring on a regular basis. If they need to track those things, they will actually ride on the vehicles and, if necessary, act on the vehicle as well.

Mr ARMSTRONG - You touched a while ago on the fact that some of your buses were up to 30 years old. What would be the age of your buses? How many buses are that old? How is your replacement program moving to -

Ms MORSE - We did have five articulated vehicles, the double-length buses, that had exceeded 30 years of service. Many people will have ridden on them, perhaps getting to school. They were withdrawn from service in this last financial year. Our average vehicle age is now quite rapidly decreasing. The vehicles being replaced with new buses are the oldest vehicles in the fleet. I think under 17 years of age is our average vehicle age. We were well into the 20s - 23 years - is an average vehicle age prior to the accelerated bus replacement commencing.

As the minister and Michael acknowledged earlier, that is a real testament to the skill and the ability of our engineering team. You can only keep a bus on the road that long if it has been carefully maintained. There are a range of benefits to us as a business in terms of the vehicle age decreasing. We have talked about fuel economy and emissions. Breakdowns are an increasing consideration as vehicles age, as well as driver and passenger comfort. We are delighted to see the vehicle average age coming down.

Mr ROCKLIFF - It is worth looking at the workshop in Hobart, and the ongoing maintenance. There is always a bus being attended to.

Ms MORSE - It is a fascinating place.

Mr HARRIS - What they can do with engines is remarkable.

Mr FARRELL - I am really conscious of the time we have with you. I will try to roll a few into one, if I can.

The employee profile in your annual report indicates that the majority of your employees seem to be in the 55 to 59 age group. It also indicates that in the years of service, the majority are zero to five, then it drops off quite sharply, six to 10. You also mention the focus on mental health. I would like some more detail and how you are managing it. What is causing it and general feedback from your driving staff?

Ms MORSE - In terms of our employee profile, Metro is no different to many other public transport operators. A reasonably high percentage of our workforce join Metro as their second or sometimes even their third career. Often the age at which people commence employment with us is a little more mature, which is reflected in their years of service. If you joined our organisation at 55, the likelihood of you working for us for more than 10 years is potentially diminished by the age of which you started.

Having said that, I had the great privilege of being in our Burnie network last year and celebrating someone who had achieved 50 years of service with our organisation. We have a significant number of employees who have had a very long tenure with Metro. Again, to some extent, that is also consistent with our age profiles.

Mental health is something we are very mindful of as an employer. It is also something that our workforce has been willing to talk to us more about in recent years. We have strived to respond to that. We have adopted a range of strategies, many of which are about destigmatising the ability to talk about something being a bit not right and how we might respond to people.

We have a very constructive relationship with our EAP provider, an external, completely independent, confidential service. They are onsite with us once a month, passively within the depot, building relationships, having quite informal conversations with people. The literature suggests this increases the likelihood, when the time comes and somebody wants to talk about something, they are more likely to pick up the phone and initiate that kind of conversation. Again, there are obviously a range of strategies. That is the top level of those responses.

Mr FARRELL - What is the level of lost time injury? Do you have many staff going off with either physical or mental health issues?

Ms MORSE - Yes, obviously we love to send everybody home in exactly the same state as they arrived with us at the beginning of a work day, but consistent with the age profile, we are a workforce very vulnerable to musculoskeletal injury, so strains and sprains are a very common part of operating a vehicle. That is an area we talk about mental health and wellbeing in terms of both physical wellbeing and fitness for work and the mental health strategies we talked about earlier. We are very mindful of trying to keep people as fit for work as possible.

Mr FARRELL - With issues like repetitive strain issue, you have drivers sitting for a long time doing repetitive work. What management processes do you have to minimise this and it been considered with the new bus design?

Ms MORSE - Absolutely. With the repetitive nature of our work, we obviously have a range of agreements of how long operators are on the road, before they are entitled to a break and an ability to get up and move around. In terms of ergonomics, we are certainly very mindful of particularly seated posture, and the layout of our

cabin was a key consideration in commissioning new vehicles. We had a very consultative and collaborative process regarding the vehicle cabin configuration.

Mr HARRIS - We sent some of our drivers to Queensland, before the prototype was built, so they could have direct input into not only the design of the seat but also the design of the cabin layout and their operating workplace.

Mr FARRELL - With the growing traffic issues, in particular in Hobart, this impacts on Metro as an organisation running timetables and obviously the stress levels on the staff and planning future infrastructure. What are Metro's ideas on the proposed underground bus shelter?

Ms MORSE - From a congestion perspective, we are enormously pleased we made the renewal and the investment in our network in early 2016. From a Hobart perspective, our network is standing up extraordinarily well to the increase experienced in congestion over the intervening three years, but it is certainly a consideration for us. At the moment, Metro has limited protection from traffic, so we are stuck in the same traffic as everybody else, which is not ideal. In terms of performance we are actually seeing improvements in our on-time running, which we are enormously proud of, given the challenges for us on a daily basis with congestion. Obviously, our business is very committed to getting people where they want to go on time, so we are mindful this can be a factor for people operating our vehicles and operator stress. As the minister referenced earlier, our business is absolutely safety first. We make it very clear we would love to stay on time, but it is not always going to be possible and safe driving and safe operation is at the forefront of our decision-making.

Metro is always excited to hear people talking about public transport infrastructure and the underground interchange is obviously public transport infrastructure on a grand scale. We have experienced a reasonably significant amount of disruption in the CBD interchange over the last 12 months consistent with the construction underway there. To be protected from this would be lovely, but again we appreciate those kinds of projects require much consideration, examination and considerable, careful planning. We will be absolutely delighted to be a part of, but we appreciate we are at a fairly early stage of what could be a reasonably robust discussion about what that might look like.

Mr HARRIS - A significant degree of planning needs to go into consideration of travel patterns around the city. The ferry service will have an impact on passenger movements and the development of Macquarie Point will also start to change the traffic patterns and the pedestrian traffic patterns around the city. There is a broader discussion to be had about how we move people around the city as well as through the city.

Mr ROCKLIFF - I have an answer for Mr Armstrong about the first bus. I am advised that the first bus is at 5.35 a.m. from Gagebrook into the city on weekdays.

Ms ARMITAGE - Times that buses leave leads me into my next question about something I asked in 2016, and it does not look like anything has changed. I will ask again. With regard to the Launceston network review, in 2016 I mentioned Hadspen and the lack of services to Hadspen. You were talking about safety first and I realise that is to do with drivers but also I have assumed it is to do with passengers. The bus that can get children to school from Hadspen was leaving at 7.39 a.m. Hadspen is approximately 10 minutes from Launceston and most of the schools have a policy that no-one is to be on the school grounds before 8.30 a.m. I do not think there are

too many that allow them to be there earlier. Quite a few children from Hadspen go to John Calvin School and they were getting to school at 8.06 a.m. I mentioned that to Mr Wiggins at the time and he said he would take it on notice and arrange a meeting with the school. I am just wondering whether that happened and whether something occurred to sort that out.

Ms MORSE - I am happy to start with that response if you would like. Metro undertook a fairly extensive amount of planning ahead of potential renewal in our Launceston network across 2016 for potential implementation in 2017. That network did not proceed to implementation at that time but given the close proximity of the changes that State Growth is intending to make under Project 2018, Metro was asked to hang onto that work and to roll that work into the planning that State Growth is undertaking for change in the network next year. There has been extensive planning undertaken; there has been extensive consultation. We are very mindful that this is a particular consideration in relation to Hadspen and Calvin .

Ms ARMITAGE - The children getting to school at a reasonable time and not waiting around for a long period.

Ms MORSE - That is right. We are acutely aware of the 30-minute window that schools provide for supervision before that first bell rings. Metro is only one of the operators that State Growth purchases services from, but we understand the rationale of wanting to make efficiencies across a range of other operators in addition to Metro, and that will be best achieved by all of us making those changes consecutively next year.

Ms ARMITAGE - That is fine. There were also issues raised with regard to transport from Hadspen - which is in in my electorate and one of the outlying areas that has fewer services than some of the others. I think St Leonards in Mr Dean's area is another one.

Mr DEAN - Do not take services off us.

Ms ARMITAGE - Well no, you do not have any - they cannot take off what does not exist on a Sunday, and it is much the same at Hadspen. The point was raised when Mr Hidding was the minister and he acknowledged the fact that employment opportunities require transport. It is very hard for people who do not have a licence. I think at the time the first provisional licence often was at the age of 19 years and 6 months. Often people cannot afford it; they cannot afford a car. They cannot get transport with limited services at Hadspen, for example, on a Saturday, and there is no service at all on a Sunday. With a lot of development coming up in Hadspen and many areas - and they are proposing it will increase significantly over the next few years - what is Metro looking to do there to increase the services - apart from the school, for people coming in and trying to access work?

Mr HARRIS - I think the point needs to be made that we do not pick the service; the Department of State Growth determines where we send buses. It is not a decision that is within our remit to make. When it plans its networks, the Department of State Growth decides routes, times and kilometres and then contracts us.

Ms ARMITAGE - You have input, I assume?

Mr HARRIS - Sometimes, but not always. If we are asked, we have input.

Mr ROCKLIFF - I will take that up with State Growth directly, with my minister for Infrastructure hat on rather than Metro.

Ms ARMITAGE - There was a transport access strategy which was open for public consultation 2016. I assume that would have gone through the process now?

Mr ROCKLIFF - Almost to completion, is my understanding. I will take those specific issue, the concerns around Hadspen on notice.

Ms ARMITAGE - Having lived at St Leonards in the past, I know Sunday was a real issue for people who might have had part-time work, particularly younger people trying to get into the workforce. It was much the same situation as Hadspen, not being able to get into the city, but Hadspen has more difficulties because it is that bit further out.

Mr ROCKLIFF - Is the weekend the most problematic?

Ms ARMITAGE - Absolutely, apart from the school, being early. On Saturday there are limited services and on Sunday there are no services at all.

Mr DEAN - I am not sure whether it was Craig who asked questions on lost time injuries.

CHAIR - Yes, he did.

Mr DEAN - I notice in the annual report that you exceeded the target you wanted to reach by a significant amount. Are you talking about lost days through injuries?

Mr HARRIS - Lost time injury frequency rates.

Mr DEAN - So 14.5 days averages right across the workforce, is that right?

Mr ROCHESTER - Yes.

Mr DEAN - Why has there been a big difference from what you targeted and the actual?

Mr HARRIS - It has fluctuated quite a deal over the last three years. We were well in excess of 30, at one stage, about three or four years ago.

Mr DEAN - Is that 30 days per employee?

Mr HARRIS - It was an absolutely atrocious record. We got it down to zero at one point and we maintained it well below the industry average for a long time. Megan and Mr Farrell touched on some of the reasons. The nature of the work the drivers do causes a lot of leg and back injuries. We do not have what you would call seriously critical injuries, but we have a lot of repetitive type of injuries, which is simply the nature of the work being done.

It is a matter of great concern to the board. We have regular monthly reports on all aspects of work, health and safety, not just lost time injuries. We also have an intervention program for medical appointments. We have implemented a range of strategies through the People and Culture Subcommittee of the board to look at ways

of improving health within the organisation. Megan touched on the mental health strategy, which was an initiative introduced by the board about 12 months ago.

We have fitness encouragement challenges within the organisation to get people to contemplate their health a bit more, to try to get them fitter so they are less likely to incur repeat injuries as a consequence of the nature of the work they do.

Ms MORSE - The other thing we acknowledge is that we set ourselves a very challenging target. The target is below the industry average for the type of business we operate. We are stating our commitment and aspiration in trying to keep injuries and incidents in our workplace as low as possible. As Michael acknowledged, a range of things will occur.

Mr HARRIS - One of the reasons we report on it so publicly is to highlight the fact it is a commitment at board level as well as at an administrative level to improve the health and workplace safety of everybody. We share that information with our workforce on a regular basis so they are aware of what is going on as well.

Mr DEAN - Was the Free Before 7 service raised by anybody? Where does that operate? I think it is a free service, I understand, before 7 a.m.

Mr ROCKLIFF - Yes, I referred to it in my introduction.

Mr DEAN - What areas does that relate to and what is the patronage of that service?

Mr ROCKLIFF - The patronage of this service has demonstrated an increase between the 2016-17 and -

Ms MORSE - The Free Before 7 operates in the urban areas of our Hobart network, with reasonable proximity as opposed to the non-urban areas of Hobart. The promotion was designed from the outset to serve two purposes. As the minister spoke about in his earlier remarks, it was designed to give particularly our adult passengers, who certainly notice when all the schoolkids come back into our network in early February, an incentive to perhaps move to an earlier service where they will have a more comfortable trip on those first few days when our network is exceedingly busy as school returns. It is also a more reliable trip in terms of travel time given that there is often a spike in congestion associated with the back-to-school period.

The second objective the promotion has always had is the ability to signal to other road users that a spike in demand in the road network is coming up. The minister cited the figures of the social media reach of this campaign that more than 86 000 people saw that material on our website.

Mr ROCKLIFF - There was a 279 per cent increase in one year.

Ms MORSE - Phenomenal in the first year that we operated it. Again, the advice that we received informally from our colleagues at State Growth was that they had also seen a commensurate increase in people travelling their car-based journey a little earlier as well.

Mr DEAN - At the expense of being labelled parochial, when is it moving to Launceston?

Ms MORSE - We have proposed that to our contract manager. I guess at the moment the congestion that this city has -

Mr DEAN - Launceston is almost as bad as Hobart, I can assure you of that.

Ms MORSE - Obviously. I guess there would also be considerations of travel times in Launceston being a little bit shorter than they are in Hobart. It might not be exactly the same promotion, but we continue to put those opportunities to partner up to State Growth.

Mr DEAN - How long has it been operating in Hobart for?

Ms MORSE - This year has been the second year we have offered Free Before 7.

Mr ARMSTRONG - Is that for only a period of time?

Ms MORSE - It is. It usually commences on the first working day after Australia Day, whichever date that falls on in a given year, and it normally runs through until the end of February. That is the period where, as we described, the absolute peak of our back-to-school congestion is highest.

Mr ROCKLIFF - This year it is from 29 January until 23 February 2019.

Mr HARRIS - To be fair to our colleagues at the Department of State Growth, they compensate us for the lost fare revenue we incur as a consequence, so it really is a partnership between ourselves and the contract manager.

Mr DEAN - I have no problem with the service - it is good.

Mr ROCKLIFF - Yes, it is good, but you would like it in Launceston.

Mr DEAN - Yes. I think Metro should not be really run as a profit-making organisation, in my view.

CHAIR - It should be a department, but that is a discussion for another day.

Mr ARMSTRONG - I noticed here that 47 per cent of your users use it for study, 45 per cent for shopping and 36 per cent for work. I always thought it would have been a lot more for work. The park-and-ride is probably one initiative, but are there any other initiatives you are implementing to try to get more people to use the service for work?

Mr HARRIS - We are constantly trying to improve the service at all levels for all potential users. It is a combination of new buses that are modern, comfortable and up to date, new timetables, the route redesign that Megan mentioned for the Hobart network - and that will soon be coming to the Launceston network - and straightening the routes out and making them simpler and easier to understand and more direct. As an example of the Hobart redesign, we now have buses that start their run at the bottom end of Tranmere, come all the way through Eastlands, through the city, through Franklin Square and finish their run at the university.

You can actually get on a bus in Howrah and a single trip will get you to the university and anywhere in between, for that matter. Similarly with the routes coming along Main Road and the Brooker Highway, they now pass through the city

and go to other locations. You are taking away the need for people to move between buses - simplifying the routes, making the timetables easier, better quality buses, and understanding what our customers want and where they want to go.

Mr ARMSTRONG - That is advertised so people do know?

Mr HARRIS - Yes. They are components of trying to increase awareness about Metro services and encouraging people to use them. When you look at the adult first boardings and the increases in that patronage, a lot of people are using Metro to go to work.

My earnest belief is that over a short period we will start to see increases in those numbers that reflect the way we are trying to promote the service.

Mr ARMSTRONG - At-fault vehicle accidents per 100 000 kilometres. You do all your maintenance. Could you just elaborate? It is much better now than it was.

Ms MORSE - When we describe an incident or an accident, we describe any damage to a vehicle under that category. So, it does not always involve two vehicles engaging with each other. In some instances, given the size of buses, there is a small propensity to clip standing objects such as signs. It is easier to encounter a sign driving a bus than driving a standard-size vehicle.

We have done an enormous amount of work inside our business endeavouring to support our drivers. We are continuing to be very road aware and deliver a regular campaign each year. This year the theme was 'scan ahead, plan ahead', in terms of awareness - things in the environment such as other road users. We attribute a significant amount of the reduction in the incidence of accidents to campaigns fostering a high level of driver awareness within our business.

Mr ROCKLIFF - That is right. Metro defines 'accident' as any incident where something makes contact with a bus. This covers everything from a minor scuff that can be polished out, to a collision with another vehicle requiring major repairs. There has been a decrease, as Megan has said, in accidents from 2017-18 - 522 in 2017-18 and 753 in 2016-17; that is and largely attributable to improved management strategies and communication from the training department to bus operators.

Mr ARMSTRONG - Is it 10 a week?

Ms MORSE - Yes, but in context, we deliver 1600 services a day in Hobart alone.

Ms ARMITAGE - Like you said, it could be simply clipping a pole.

Ms MORSE - We do a lot of kilometres and on the road a lot.

Mr ROCKLIFF - There is improved reporting and data analysis with the management team; Metro has developed and delivered extensive accident-avoidance, defensive driver-training initiatives; campaigns that have affected a reduction in accidents and occurrences due to enhanced driver skills; and targeted training programs, including the production of a video of safe driving techniques. Metro has made continual improvements to the accident management process to assist in driver-operator accountability; improved the transport integrated management system for reporting and recording of accidents; reported vulnerable periods for crashes; and circulated a list of new bus operators employed for less than 24 months. It reports on

daily crashes, identifying at fault bus operators; it displays key performance indicators monthly to all employees - the results are highlighted and posted on notice boards, as are state crash locations to assist in awareness of those areas. So, all these improvement management systems are done to assist in bringing that down. It has come down considerably.

Mr HARRIS - It is like my answer to Mr Dean in relation to lost time injuries. We deliberately report on these things and encourage people to report on these things, in order to highlight it has to be improved. We use it as a tool at board level and through the organisation to encourage people to be more safe and to look after the equipment in a safer way. We regularly retrain people to achieve those outcomes. We deliberately report on it to highlight it so that we can improve it.

Mr FARRELL - I am looking forward more broadly with public transport. I think there is a tremendous opportunity particularly in Hobart - and there will be in other parts of the state later, but at the moment it seems to be with Hobart - in that regard.

The ferry proposal - and Metro put together a very good risk and impact document that I think illustrates it is taking it seriously - identifies that Metro is unfamiliar with the passenger ferry industry and associated consultancy firms are likely to be low pool of specialist consultants with local knowledge. That seems to be a bit of a stumbling block from the starting point. Is it Metro's intention to work with people like Incat and other locals that have had quite a bit to say about ferry services on the Derwent?

Mr ROCKLIFF - That would absolutely be the intention. We are very committed as a government to delivering on this commitment. We have provided some \$2 million to Metro to investigate and work up this initiative. Our first step, as you would be aware, was to amend the Metro Tasmania Act to remove any restrictions on the type of passenger transport service that Metro Tasmania can operate, and this has now passed into law.

To progress the operation of a ferry service, Metro is undertaking an options analysis to ensure that the specifications and supporting infrastructure align with Hobart's transport needs. There was a competitive tender process. Metro has now appointed leading transportation consultants MRCagney to undertake a study, which will include further consultation with a range of stakeholders and a demand analysis. We are very committed to ensuring that we and Metro cover all bases on what will be, in my view, very important infrastructure.

CHAIR - Do you have a time frame for that report?

Mr ROCKLIFF - The report to me is expected by the end of this month.

Mr HARRIS - It will be with the minister by the end of the month.

Mr ROCKLIFF - The Metro Chair has said it will be.

Mr HARRIS - We are extremely good at running public transport services. I can confidently say that we are the best at it in the state.

We do not know a lot about running a boat, but we do know how to get passengers from A to B, and it is our intention to partner with the best people we can from around the state to provide the best service we can possibly provide. The most

cost-effective way for us to do that is to partner with somebody who has experience on the maritime side of the things that we can marry with our experience in moving passengers from A to B, and integrating that into our broader network.

Ms SIEJKA - I saw that Taroona High School has been partnered with Metro to provide the young people with some skills about catching buses. From my previous work with young people, one of the things that is raised time and time again is that, generally, children and young people have a great fear of public transport. There is a whole bunch of positive aspects in terms of safety, usage and flow-on effects on traffic, and also school engagement. I was curious about why Taroona had been chosen when I know there are other schools, such as New Norfolk High and Sorell - those immediately spring to mind but there are a whole lot of other ones - that would really benefit from this work, much more so than Taroona, which is a very central school.

Ms MORSE - I guess there is a very specific answer why Metro did not work with New Norfolk or Sorell from the perspective that neither of them are in our catchment areas. They are not schools we provide services to.

Taroona High School is one of the biggest users of public transport services within Hobart. It has a very strong public transport culture. I guess Metro sees that it is in everybody's best interests to continue to foster that because of how much impact it would make if all of those students were taken-

Ms SIEJKA - Is there capacity to extend that further?

Ms MORSE - Yes, I will go on to explain how this service came to be.

We were approached by the school about our interest in partnering in this initiative. The school was prepared to make an approach to their feeder primary schools. That was very instrumental in those schools agreeing to participate in this initiative. It is first time we had ever done it. We wanted to get the runs on the board, having delivered it very successfully this year. We will look to extend it to a broader range of schools next year, but I highlight the notion of it being done in partnership with the high school was very instrumental in its being successful.

Ms SIEJKA - It is unfortunate, taking into account that the service does not run in those particular areas. There are greater issues in terms of continued school engagement but the capacity to catch public transport is one of the biggest issues. Years 11 and 12 have been extended but it becomes an issue even when it comes to college time.

Ms MORSE - The model is certainly there. We are a pretty collaborative industry. If our colleagues at O'Driscoll Coaches, the dominant provider in New Norfolk, were interested in talking to us about this, we would openly share our experiences.

Mr ROCKLIFF - The announcement today from Catholic Education might impact on timetables.

Ms SIEJKA - You would know that public transport comes up time and time again as one of the biggest barriers to continuing education.

CHAIR - Thank you. I will take that as a comment and not a question.

Mr ROCKLIFF - Chair, in reference to Mr Dean's discussion about lost time injury claims. The definition of lost time injury frequency rate is 'the number of lost time claims multiplied by one million divided by the total worked hours'.

Ms ARMITAGE - With regard to special buses, do you still have a free bus on Christmas Day?

Ms MORSE - We do not tend to announce that we will be free on Christmas Day, but it is usually the case. It is a lovely surprise for it to be a free trip on Christmas.

Ms ARMITAGE - It is nice to announce it so that people can get to visit friends who might not-

Ms MORSE - We operate a full public holiday timetable on Christmas Day. It usually is free.

Ms ARMITAGE - I think it is nice to announce it.

Mr ROCKLIFF - It is now announced.

Ms ARMITAGE - With regard to events, I noticed that we have the Nightrider and some others which cost \$2.

In the past, you have had a free bus after Festivale but you did not operate it last year. Is that likely to restart? Or are the reasons behind it ceasing?

Ms MORSE - As I understand it, the Festivale service is a charter. Often our free services are delivered in partnership with a commercial partner, but I can confirm our MAIB partnership continues strongly. We will be doing Nightrider as a \$2 flat fare again this year.

Ms ARMITAGE - But probably not the Festivale?

Ms MORSE - I am not aware that that has been re-chartered for this year as yet.

Mr ROCKLIFF - We can follow that up for you, Ms Armitage.

Ms ARMITAGE - Is the fare likely to remain at \$2? Are you looking to raise the price?

Ms MORSE - It has been that way for some time. It is a pretty easy fare to handle. There is a range of reasons we are excited about Nightrider. It is a key night where we are keeping people off the roads and on public transport. It offers a range of community benefits.

Ms ARMITAGE - And likely to stay \$2? Thank you.

CHAIR - I believe Project 2018 will commence in 2019. Will that impact on Metro's revenue seeing that you are funded for that service delivery?

Mr HARRIS - No, it is a contract arrangement between State Growth and all bus operators. We are in the throes of renegotiating routes, contract prices and so on at present. We are paid for the services we deliver. To the extent the services we

deliver change, our revenue will change, but we are still paid for the services we deliver.

CHAIR - There will be no financial impact?

Mr HARRIS - No.

Mr DEAN - We have covered 2018, which is good. School bus operators have been onto me about it and I have been asking numerous questions, as the minister would be aware of.

What is the ratio of female-male employees within Metro?

Ms MORSE - One to four - 80 per cent male, 20 per cent women as a workforce.

Mr DEAN - What are the complaints made against drivers? What are they and what is happening to satisfy those complaints, minister? What happens with complaints drivers make against patrons? Do we have any patrons not able to board buses?

Mr ROCKLIFF - I will take that part of the question on notice. Metro, like any organisation, will receive feedback, and complaints are received via email, phone and in person. In 2017-18, 81 per cent of complaints were closed off within 10 days, up from 62 per cent in 2016-17. That is a good response. Sixty-three per cent of complaints related to service reliability, 16 per cent related to driving and 12 per cent related to customer service. Metro received 17 complaints per 100 000 service kilometres in 2017, down from 21 in the previous year. Continuous improvement would be the word there.

Feedback from drivers and operators with respect to patrons -

Mr HARRIS - The majority of complaints are about buses running early, late, not running at all or in some instances, not following the correct route and things of that nature. The satisfaction rating with our drivers is and has always been very high. By and large people are happy with the people driving the bus, but annoyed if the bus runs late or runs early.

Mr DEAN - Have any of the drivers been threatened or physical actions against any of them?

Mr HARRIS - Occasionally. It is a matter we and the drivers take very seriously.

Mr DEAN - How many physical contact complaints in this last year?

Ms MORSE - Three. We had two minor assaults of contact being made with a driver and also spitting at drivers from time to time, which is highly regrettable when that occurs. With reference to our earlier answer in relation to the safety strategies we put in place, we do our utmost to support a driver who is experiencing an interaction with a customer not acceptable on board our vehicles, as quickly as we can.

Mr DEAN - What action is taken against these people, because it would be under video surveillance?

Mr HARRIS - Absolutely and Megan referred earlier to our arrangements with Tasmania Police.

Mr DEAN - Yes, she did, but it had to have been taken against those persons who had caused and created the problems.

Ms MORSE - Tasmania Police has a high success rate with being able to track down people involved in incidences with Metro with reference; particularly if it has occurred where we have footage, it makes it much easier to identify people involved. We have the capacity to prohibit people from boarding our vehicles. We do not take that step lightly, because we are in the business of connecting communities, but we have the option.

Mr HARRIS - We are also in the business of protecting our workforce.

Ms MORSE - Correct.

Mr DEAN - I think you would take on notice the number prohibited from using Metro services. Is that the one you said you would take on notice?

Mr ROCKLIFF - No, but I am happy to take that question on notice - how many people have been prohibited.

CHAIR - Thank you. We have encroached on the lunchbreak. We will need to call this. Thank you, minister, very appreciated; again, our best wishes to Mr Harris for future ventures, and thank you to the new CEO. We could spend a lot more time on all of our GBE scrutiny areas, but have a time limit.

The committee suspended at 11.50 a.m.

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 5 December 2018

MEMBERS

Ms Armitage (Deputy Chair)
Mr Armstrong
Mr Dean
Mr Farrell
Ms Howlett
Ms Rattray (Chair)
Ms Siejka

IN ATTENDANCE

Hon. Jeremy Rockliff MP, Minister for Infrastructure

Ministerial Office

Mr Vince Taskunas, Acting Chief of Staff
Mr Adam Foster, Infrastructure Adviser

Tasmanian Railways Pty Ltd

Samantha Hogg, Chair
Karen van der Aa, Chief Financial Officer
Neale Tomlin, Corporate Relations & Strategic Development Manager
Jennifer Jarvis, Manager, Group Property & Compliance

The committee resumed at 11.57 a.m.

CHAIR (Ms Rattray) - Minister, I welcome you back to the table in your role as the minister responsible for TasRail, another important area for the Tasmanian community, particularly in the line of transport operations.

We again invite you to make a brief overview.

Mr ROCKLIFF - I have a brief overview, like last time.

Steve Dietrich, the CEO of TasRail, sends his apology. It is a personal matter.

By many accounts, the 2017-18 year has been a successful year for TasRail, with a number of performance highlights. In a turning point for the business, the commercial above-rail business posted its first-ever profit of some \$440 000, coming off the back of record freight volumes and a tenacity to grow revenues, a strategy supported by prudent financial management and effective cost control. Overall freight on the rail in 2017-18 was up again, boosted by stand-out growth in forestry and intermodal volumes. General intermodal freight increased by 7 per cent compared to the previous year, and the month of November 2017 saw TasRail break another record for the number of total equivalent units - TEUs - hauled in a single month, with 4687 TEUs hauled.

I am pleased to reveal to the committee that this record was topped in October 2018, with 5125 TEUs, and that accomplishment has already been surpassed. The numbers in for the month of November 2018 confirm TasRail railed a total of 5356 TEUs. This evidence demonstrates Tas Rail's strategy to chase incremental and new growth is working and the expectation is that the steady growth in containerised freight will continue.

The forest sector is showing a strong and unprecedented level of interest in rail, signifying TasRail's growing capacity, capability and competency to develop efficient and sustainable supply chains for this important sector. Timber volumes on rail grew by an impressive 24 per cent in 2017-18; as another first, we saw plantation timber on rail for the first time.

Safety performance is another stand-out, with TasRail recording zero lost time injuries in 2017-18. As at yesterday's date, TasRail employees worked 832 consecutive days free of lost time injury, and TasRail's contractors have clocked up an equally impressive record of 584 consecutive days without a lost time injury.

TasRail CEO and the whole TasRail team were very pleased with their efforts being recognised by a WorkSafe Tasmania award for excellence in workplace health and safety culture in a large business. I am sure the committee will join me in congratulating TasRail on this achievement.

Derailment prevention is another area where there has been a significant reduction in the frequency and severity of incidents, notwithstanding the very serious derailment that occurred at Devonport on 21 September which remains under investigation. TasRail has gone from a frequency of almost one derailment a month in 2009 to one a year in recent times. By any measure, rail remains the safest form of freight transport and I commend the company for the work it is doing to sustain the safety and reliability of the network.

Record investment by the Tasmanian and Australian governments saw an increased activity in the network with the fully funded \$240 million Tasmanian Freight Rail Revitalisation Program enabling TasRail to continue the renewal and upgrade of the low rail infrastructure.

TasRail is on target to complete tranche 1 of this important infrastructure investment program by 30 June 2019 on time and on budget. I am very pleased to reveal to the committee the delivered quantity of works completed by TasRail has today exceeded the project's scope, including the quantities of new rail, to new sleepers, culverts and a number of level crossing reconstruction works.

From an asset performance perspective, the investment is delivering a vastly safer and more reliable network. This is evident in so many ways, but perhaps it is best demonstrated by the fact that at November 2018 some 92 per cent of the network is now operating at track speed, the best performance for decades. Temporary speed restrictions associated with asset conditions are at the lowest level since TasRail commenced operations nine years ago, delivering improved transit times and increased service reliability for customers.

All these factors have underpinned high levels of customer confidence and market industry. I have no doubt TasRail will continue to build on its 2017-18 performance.

Rounding on what has been a relatively good year for rail in Tasmania, no doubt of keen interest to members of the committee, is the fact there is now a clear policy and pathway for tourist and heritage rail operators seeking access to the network. Whether the access is through the rail access framework policy or under the Strategic Infrastructure Corridors (Strategic and Recreational Use) Act 2016, there is now a clear framework and process in place, and a real sense of optimism we will see new tourist and heritage rail services, in the near future.

I would like to acknowledge the hard work of TasRail, its board, its Chair, senior executive, and our employees, throughout the year. With this continued investment in rail infrastructure and track upgrades, the future for rail is bright in Tasmania and the record freight volumes speak to the continuing importance of rail to the Tasmanian economy. Thank you.

CHAIR - Thank you.

Mr FARRELL - I acknowledge that TasRail aims to increase its business and remove some of the more hazardous loads off the road system, which I think is admirable. I am wondering why reports lately from the north-east part of the state about local government lobbying for a new road around The Sidling are being thought about by that organisation? Has consideration been given to transport by rail from Scottsdale rather than modify The Sidling, or to modify the route around the back of The Sidling? Has TasRail been in any conversations about that? Is that a future source of traffic? The north-east was always pretty good for timber traffic, that type of thing. Or, is the north-east now finished as far as a rail destination goes?

Ms HOGG - We have not had any consultation on that topic at all.

Mr FARRELL - Is that something TasRail would look at if it were proven there were timber resources?

Ms HOGG - We are open to consultation on all these issues and very happy to have it, but, no, that is not been an area I am aware of at all.

Mr ROCKLIFF - Are you saying that would have come from local government initially, Mr Farrell?

Mr FARRELL - Yes. There seems to be a move at the moment in the north-east to try to source funding for new roadwork to allow B-doubles because of the restriction of The Sidling. It seems odd to me that there is a railway line in situ not being used, and the cost of undertaking roadworks would be huge. There may be an opportunity there for TasRail. TasRail stated in the annual report that it is actively

looking for a new customer base. If the softwood timber there is used by Boyer, it would seem a natural fit to rail that south.

Mr ROCKLIFF - We will take your point of view on notice if you like. I am not aware of any discussions around that area. I am certainly aware of the interest in the north-east in improving The Sidling infrastructure.

Mr FARRELL - The way things may proceed could prohibit that later on and that would be a great pity.

When the locomotive fleet was initially ordered, the media release that went out said they would have a 92 per cent reliability over 365 days. I wondered if that were the case. I would like to get a report back on the amount of fairly large investment in new locomotives.

Ms HOGG - The locomotives have performed very well. I will throw to Neale for the exact percentage. We will undertake a detailed review of the first refurbishment of it later this year and that will give us a much greater sense of when the refurbishment of the whole fleet will start.

In terms of the reliability to date, do you have a figure, Neale?

Mr TOMLIN - I do not have a specific metric. I will have to take that on notice.

Ms HOGG - Anecdotally, they've been performing as we expected them to perform. As I say, an investigation of the full refurbishment program starts later this year.

Mr FARRELL - Just following up from previous TasRail hearings: the locomotive replacement. Initially, it was envisaged they would be able to work on Melba line. I see that the older locomotives are still being utilised there. Are there plans to get the newer ones there, or will the older ones be maintained for the foreseeable future?

Ms HOGG - Yes. A lot of work is going on to optimise the fleet in terms of freight haulage activity. There is always a keen interest to get the newer locomotives there if we can, because they are a lot more fuel efficient. At the moment, all the locomotives are fully engaged in the work we are doing on the other main lines. We expect there will be conversations within management coming to the board over the next year about how we look at that, more optimisation, and whether that requires new locomotives and so on.

At the moment we still have the old ones, but it is a constant source of discussion, mainly due to the fuel usage.

Mr FARRELL - With planning for newer locomotives, because of the restrictions on the Melba line and possible restrictions on other than the main Hobart to Burnie line, would lighter axle-load locomotives be considered or would it be planned to stay with the larger ones that currently operate?

Ms HOGG - You have now gone beyond my technical expertise, so I will throw that to Neale.

Mr TOMLIN - It is a matter of ongoing investigation. The TRs can have the ballast removed so they can operate, as you would be aware, with a lighter axle loading. At this point, the locomotives operating on the Melba line provide a solid and reliable service to the customer, but with the resurgence in the mining industry that might be the tipping point whether TRs are redeployed down there.

Mr FARRELL - Looking further afield with other lines that may be utilised - for example, the Derwent Valley line for timber traffic or the north-east line if it stays in place - would those locomotives be retained to work on the lower-standard railway lines, as happens elsewhere around the world?

Mr TOMLIN - I imagine that if a large new task were to commence on one of those currently non-operational lines, our intention would be to leverage those natural scale efficiencies of rail and run 18-tonne axle loadings, but then there is that balance between track capital and rolling-stock capital which we would have to work through, but that would be our preference.

Mr FARRELL - I know that New Zealand maintains a lot of the light-line locomotives for that, where there is a lesser freight task on a VLC-grade line and they then have that ability to compete with road transport. Will that be considered?

Mr TOMLIN - Yes.

Mr FARRELL - The other question is in regard of the sleeper disposals. I know that TasRail has generously given some to the heritage groups, but there have been reports of others being containerised and shipped offshore for scrap. Do you have a breakdown of the numbers? I am happy to take that on notice. Just the number of sleepers disposed as to the number reused.

Mr TOMLIN - I think that is one we would take on notice.

Mr FARRELL - That is fine. I am happy for that.

CHAIR - Before I move to the next question, it is important we put on the record that because we do not have the CEO here, some of the questions may need to be taken on notice and answers provided at a later time. The committee will always have the opportunity to recall TasRail if we need to explore those things further.

Mr ROCKLIFF - Yes, I'm happy to do that, Chair.

Mr ARMSTRONG - You are well aware of the southern residue issue that we have. I am wondering whether TasRail has had any discussions. Evan Rolley was commissioned to look at options for getting the residue out of southern Tasmania. Has TasRail had any discussions with Evan Rolley or anybody regarding the southern timber residues?

Ms HOGG - The southern residues and moving logs from the south to the northern facilities has been a big part of the growth in our forestry volumes this year - 24 per cent growth in forestry volumes. Neale is the person who has been engaged with the Evan Rolley review, so he can talk about that more directly.

Mr TOMLIN - To answer your question, there have been quite a lot of discussions with Evan Rolley, who has been leading that review, and also with the Department of State Growth which is providing strategic and analytical support to Mr Rolley's review.

Mr ARMSTRONG - Can you elaborate on that at all? Can you tell us where it is heading?

Mr TOMLIN - I suppose it is not our review, we are just a participant and providing input.

Mr ARMSTRONG - But as far as TasRail is concerned?

Mr TOMLIN - To date there have been two threads of discussion with Mr Rolley. One has been briefing him on our existing operations and how we move southern residues to the north of the state, primarily Bell Bay. We have provided a lot of briefings on the quite substantial role we play in that transportation task. We have also been exploring opportunities for increased rail capacity out of the south of the state. At a high level, they have included increased capacity out of Brighton. We have also been looking at increasing log capacity out of the currently disused Parattah log-yard just south of Oatlands. Discussions have also been had about reopening the Derwent Valley line and establishing a railhead there to allow resource to come out of that part of -

Mr ARMSTRONG - The catchment or somewhere.

Mr TOMLIN - Correct. We have looked at multiple options along the Derwent Valley line. At a very high level now, Mr Rolley is looking at a whole range of options in the south of the state. Our input today has only been about the rail, but I am sure he is looking at other options as well, which are beyond my remit to talk about. There have been substantial discussions around the increasing role that rail could play.

Mr DEAN - On the forestry movements, minister, we were told at previous sessions - in GBEs, Estimates and so on - that movement by train of forestry logs and timber was never going to occur because of the triple handling and all the rest of that. We are seeing, from the reports, vast changes in that area with log movement. What has changed? Previously we were given information that has not proven to be right. How far is it likely to go? What is the extent of it? Why are we now seeing this big change, contrary to what we were previously told?

Mr ROCKLIFF - TasRail currently hauls logs from southern Tasmania to the northern ports for four customers: one customer - bulk plantation logs to Bell Bay; two customers - bulk native logs to Bell Bay; and one customer - containerised logs to Devonport.

TasRail provides five services per week between the Brighton Hub and Bell Bay for the whole-log customers. Due to the current peak demand, this has recently increased to six; in fact, the service is as required. I am pleased to report the investment we are seeing in the forest industry and the strong growth in forestry-related jobs and export volumes. The Minister for Resources only last week reported that production has more than doubled and that exports are at a 10-year high. The industry now supports over 5700 jobs.

TasRail plays a very important and growing role in safely and efficiently transporting pulp logs harvested in the south of the state, as I have said before, and after many years out of the market TasRail commenced hauling pulp logs again in 2013 with a single customer and there are now four customers.

The containerised logs to Devonport are hauled on existing intermodal services. This freight task is transported on a campaign basis to meet international shipping schedules. Log volumes on rail increased by 24 per cent in 2017-18 and for the first TasRail has commenced haulage of plantation logs on rail.

The growth opportunities - working directly with industry, TasRail has made the decision to reopen the log siding and log yard at Parattah, south-east of Oatlands. This will provide industry with a rail option to move trees harvested in the south-east of the state through Bell Bay for export. Rebuilding of the Parattah log siding is underway and discussions with forestry customers are well advanced. TasRail is also working with existing and prospective customers to increase volumes from the Brighton terminal. Your question is, 'Why?' - I think that is the market.

Mr DEAN - Minister, the reason I asked the question is that we were told - and I think I am right on this, a member will correct me if I am wrong - that one of the reasons the north-east line was probably never likely to be reopened and can be destroyed and so on was that log transport on trains was not likely to improve or increase. This is the reason I asked, with the significant change we are seeing in this area. What has caused the use of train transportation of the forestry products?

Mr ROCKLIFF - Increased volume.

Ms HOGG - There was also some innovation two to three years ago around what we call 'logtainers' at TasRail, which is a rolling stock able to carry logs but on the return journey can be flattened so it can carry a container. That has made it a lot more effective, I think, for one-way log transportation.

Mr ROCKLIFF - We have 40 logtainers.

Mr TOMLIN - It has been a big part of it. It gives us the ability to work with industry and transport logs in one direction and then return containers on the same line.

CHAIR - You can effectively have a backload.

Mr TOMLIN - Correct. You have a backload and in the forestry industry, that is obviously gold for our forestry customers. TasRail has matured as an organisation; our engineering capacity, like all organisations as they grow, has improved, as has our understanding of how to safely operate with logs, which can be very high mass loads but can also have centre of gravity issues, which we now have a good understanding of. The other thing working in TasRail's favour is we have established a very efficient and safe seamless interface between road and rail in the Brighton hub. We have partnered with a private sector company that provides us with bulk log storage and log-loading solutions. That is not something we have tried to bring in-house. A combination of engineering, our optimistic and positive approach to the market, and understanding the engineering and log-loading has really improved our opportunities.

Mr DEAN - Is all of this likely to see TasRail review its position in relation to the north-east line?

Mr TOMLIN - With the north-east line, there is obviously a very large forest resource in the north east of the state.

Mr DEAN - One of the largest in the state.

Mr TOMLIN - It is very substantial. The majority of the resource goes into Bell Bay for processing, so it is a short-haul. Given the upgrades on the road network up there, which have been quite substantial, if you looked at the capital cost to reopen the line just for that freight task, it would be difficult for TasRail to compete, but not to say never. At the moment we really are focusing our attentions and priority on finding ways to liberate this resource in the south of the state and take it through to Bell Bay.

Mr ROCKLIFF - Of interest to members and perhaps yourself, Chair, the logtainer is an innovation and design and construction by Elphinstone Engineering at Triabunna. The logtainer is a nuclear-designed container, as Neale has said, that can be fitted to any intermodal rail wagon to allow it carry logs in one direction and be collapsed down to the same rail service that can haul containers on return journey.

CHAIR - Minister, there will be an opportunity through another committee process of the Legislative Council at a later time to further discuss this. Given the information we have just received, is this why the strategic corridor manager has not been tabled in the parliament, because you are holding back because you are not sure what the future is now? There is to be a strategic corridor manager tabled in the House - it needs a document to be tabled - and it has not been tabled in 2018. Is this why it has not been, because there may some changes?

Mr ROCKLIFF - I would not say that is the reason why, no.

CHAIR - I have been watching it every sitting for the tabling, as the document is part of another committee's inquiry.

Mr ROCKLIFF - No, it would not be the reason. I can find some more information if you would like on where that is.

CHAIR - Can we find out when this is going to take place?

Mr ROCKLIFF - I will take that on notice.

CHAIR - Obviously, it will not be before March 2019, because we have no more sitting days. I am interested in the progress. Some of the information we have received today is quite enlightening. The financial loss TasRail suffered, \$2.9 million more than anticipated - I mean obviously above-ground, quite well; below-ground, a different scenario. What contributed to this significant loss that was not anticipated?

Ms HOGG - Obviously, we were very pleased with the first above-rail profit of \$440 000. It was the first profit result in some nine years for the above-rail business, the commercial arm of TasRail and where it competes with other logistics providers. We were thrilled; we feel in the current year, while we have obviously had the very regrettable derailment, a similar sort of result will occur again this year. This is not directly addressing your question, but in terms of the above-rail we are very happy. In terms of the overall result of comprehensive \$25 odd million loss - is that the one you are referring to?

CHAIR - No, it was \$9.68 and it was \$2.9 million worse than that.

Ms HOGG - Can we ask Karen van der Aa, the CFO, to help us with that answer?

CHAIR - We would be happy to have to Karen at the table. With a large folder of all financials, I expect.

Mr ROCKLIFF - Karen van de Aa, CFO and company secretary. Welcome Karen.

Ms Van Der AA - Thank you.

The total comprehensive loss you are referring to is about \$2.8 million worse than we had anticipated. That has largely been driven by the impairment loss we recorded for the year. At the time of preparing the budget, we had anticipated an impairment loss of about \$27 million based on what our capital program was likely to be. We ramped up our capital program as the year went on. As a result of that, our impairment loss increased above what we had anticipated, which drove the overall comprehensive loss we recorded.

Ms HOGG - Like many companies TasRail is in an odd situation when it comes to the accounting result. The impairment comes from the fact that any capital we invest through the IIP program or any other program has to be immediately written off in our accounts.

What Karen was referring to there is we spent more of the IIP money, we did more of the capital works than we were budgeting to do in that year, and so more had to be written off. It is a bit of an obtuse concept.

CHAIR - The organisation is very dependent on receiving outside funds. What is in play in terms of infrastructure in the future, the long-term commitment for funding?

Mr ROCKLIFF - The second tranche from the federal government has some certainty, which is very pleasing. That will be rolled out over the next few years.

Ms HOGG - We have had \$240 million committed by the Tasmanian and federal governments to be spent on the below rail infrastructure. At 30 June 2019, at the end of that first tranche, \$119.6 million will have been spent. We are starting to see the benefits come through: reliability, lower derailment numbers and a low percentage of track under temporary speed restrictions - TSR. We are seeing the benefit of that first \$119.6 million tranche and over the last six months, we have had commitments from both state and federal governments to renew that. So, we have another \$119.6 million that will start being spent from July 2019 for the subsequent couple of years.

Mr DEAN - Does that explain the letter of comfort provided to TasRail by TASCORP? Can you explain that?

Ms HOGG - We have a borrowing limit with TASCORP. At 30 June this year we had \$6 million-odd drawn with TASCORP. At the same time, we had around \$16 million in cash. We had a zero net debt situation. As we move forward in this current year, we will be looking to increase our debt with TASCORP. That increase in debt will require a letter of comfort from Treasury, which we are in the process of working through.

Mr DEAN - That is what it is all about, the letter of comfort from TASCORP.

Ms HOGG - From Treasury to enable us to increase it.

Mr DEAN - An extra \$6 million.

Ms HOGG - We are still working out the numbers, but it will be greater than \$6 million that we will be looking to borrow through this coming couple of years. Just as timing of cashflow works through with this IIP program, there is also a cumulative build-up of losses incurred through the floods of two years ago and derailment issues and so on. As you can see from our numbers, our above-rail profitability is line ball. This is the first year we have had cumulative losses up until now.

CHAIR - Can you define 'above \$6 million'?

Ms HOGG - I think we are looking to increase the borrowing limit to \$20 million.

CHAIR - Quite a bit above \$6 million.

We will come back to the cost of derailments because Ms Armitage has a question.

Ms ARMITAGE - I do, and probably derailment will come into that. Looking at the community-based safety incidents, I noticed on the sheet there were 72 failures to stop or give way at level crossings in 2018. They are not collisions. Are they reported by the train drivers that they were near-misses? How is that number determined?

Mr TOMLIN - I might have to defer to one of my learned colleagues for one moment.

Ms ARMITAGE - If they are not crashes as there was only one crash, how are they determined?

Ms HOGG - Train drivers report them.

Ms ARMITAGE - I noticed trespass was up to 69, which is concerning when you look at some of the media reports - 'Children caught playing risky games on TasRail tracks', 'TasRail worried over awful rail behaviour'. What is TasRail doing to look at that? Are they looking at some community-based education on rail safety?

Ms HOGG - I think you are referring to a number of newspaper articles that we as TasRail are promoting. We do a lot of work in promoting the danger of trespassing with media.

Ms ARMITAGE - Do you have someone who goes into schools and talks to the young people who may be the ones on the top of -

Ms HOGG - Unfortunately, it is not just the young ones.

Ms ARMITAGE - It is not, but they do grow into adults - hopefully.

Ms HOGG - I completely concur.

Mr TOMLIN - We have a partnership with the Beacon Foundation, which is about pathways to work, but we also use that as an opportunity every time to talk about rail safety with our partnership schools.

Ms ARMITAGE - Just with the partnership schools? I was thinking of all, particularly the high schools, because I know a lot of adults do it. You have to remember they start somewhere. They start as children and work their way through. Can that be considered when you look at safety?

Mr ROCKLIFF - Indeed. TasRail promotes public rail safety education and awareness, including periodic campaigns. It also works closely with the Australasian Railway Association and the TrackSAFE Foundation to develop educational material, and national initiatives including Rail Safety Week and Rail R U OKAY? Day. CCTV cameras operate at a number of hotspot level crossings and are fitted to the locomotive fleet. Where evidence of an offence is captured on video, TasRail receives good follow-up and support from Tasmania Police.

Under Australian Road Rules section 123, it is an offence to enter a level crossing when a train is approaching and a substantial fine and penalty applies.

Ms ARMITAGE - I wonder how many people know that - I certainly did not.

Mr ROCKLIFF - In terms of the fine and penalties, I am not sure how many people know it.

Ms ARMITAGE - It would be worth letting them know; they might be more inclined to stop.

Mr ROCKLIFF - Yes, I would hope and expect that people would understand the dangers around level crossings.

Ms ARMITAGE - They do not appear to be, minister. It's more than one a week when we look at the stats.

Mr ROCKLIFF - We have some challenges.

Mr DEAN - Are you talking about uncontrolled ones?

Ms ARMITAGE - Just level crossings where you give way.

Mr ROCKLIFF - Last year 72 incidents were reported where road users failed to stop or give way at railway level crossings. I can confirm that train drivers report these incidents. This equates to around one report for every 6000 train kilometres travelled. The result is consistent with the previous year, but it is well below the total of 123 incidents reported for the financial year of 2015-16. It is less, but 72 more than we would like.

Ms ARMITAGE - It's 72 possible collisions if a train driver considered it.

Mr ROCKLIFF - That is right.

Ms ARMITAGE - Looking further, livestock on the rail corridor was up to 122. How are you looking to address that? There were 20 animal collisions with trains and I guess they are not all livestock, but some of them would be.

Mr ROCKLIFF - It is a very good question. Last financial year saw an increase in the reported number of incidents involving livestock in the rail corridor and animal collisions with trains. I am advised this is largely attributable to a combination of a severe weather event -

Ms ARMITAGE - Seeking food, do you mean, getting close to the grass?

Mr ROCKLIFF - Drought conditions and poor fencing. Animals roaming the corridor are generally in search of shelter or vegetation, as you would appreciate. An animal collision with a train is not only a distressing event for all involved, but also can cause a derailment. It becomes potentially far more serious. TasRail endeavours to work very cooperatively with livestock owners to respond to reports of animals in the corridor. We are currently planning a new communications initiative with the Tasmanian Farmers and Graziers Association, which we expect to be launched in 2019. It is a good question, and we need to work on that.

Ms ARMITAGE - I was reading about the driverless train that had to be forcibly derailed. Are you looking to bring back drivers, because we are always concerned. It is like the supermarket taking jobs away from people.

Mr ROCKLIFF - We have drivers.

Ms ARMITAGE - Everything we do when we use technology rather than people is taking jobs away from people. I am assuming driverless trains are certainly taking jobs away from train drivers.

Mr DEAN - I thought you were talking about driverless supermarket carts.

Ms ARMITAGE - No, I was talking about how at the supermarket people go through a self-serve checkout, which I refuse to use. The runaway driverless train had to be forcibly derailed when it got out of control; I am wondering about the train drivers.

Mr ROCKLIFF - I will first put on record it was a very serious and regrettable event, and exactly what went wrong in the situation remains, as I said in my opening statement, subject -

Ms ARMITAGE - But would it have happened if it had a driver?

Mr ROCKLIFF - It remains subject to investigation and TasRail will deploy whatever resources are necessary to ensure this type of incident never and cannot happen again. The derailed train consisted of a TR class locomotive, 16 bulk wagons and a driver's van. The train driver was remotely controlling the train from the loading facility to align the bulk wagons to loading chutes. The driver reports the train became unresponsive to his remote commands and before he could undertake a cold start of the remote system at the receiver, located at the rear of the locomotive, the train slowly began rolling towards Devonport.

As events unfolded, the Network Access Manager and the Rolling Stock Assets Manager were able to monitor the progress of the train, using real-time monitoring, and continued to communicate information to police.

While this was occurring, the decision to route the runaway train into the dead-end siding at Devonport was actioned. TasRail does not operate driverless train technology on its network. Immediately following the derailment, TasRail suspended

the use of remote technology for loading and unloading of trains. I commend the team at TasRail for what I know was a very stressful time for all concerned and, indeed, our Emergency Services personnel were tremendous. They acted extremely quickly. I stand to be corrected, but there are 14 level crossings between Railton and Devonport, and for our emergency services personnel to provide a maximum amount of safety to the public was extraordinary. We treat this as the most serious incident and we can all imagine it could have been far more catastrophic, and I have often thought long and hard about this fact.

Ms ARMITAGE - So TasRail will not be having driverless or any more remote trains?

Mr ROCKLIFF - They have been ceased in terms of remote unloading and loading. TasRail does not operate driverless trains at all.

Ms ARMITAGE - So no train drivers had lost their positions or you have not cut the driver workforce back? You were not planning to do it when you were having the remote -

Mr ROCKLIFF - The remote system has been in place for around 15 to 20 years. This is under investigation and we look forward to this being completed, so we can have a true understanding. To say we can ensure this never happens again - can I say this cannot happen again?

Mr DEAN - Would it have had a driver? Is that what you're saying? You said Tas Rail doesn't operate -

Mr ROCKLIFF - Driverless trains.

Mr DEAN - Would there have been a driver on this train when it moved out?

Ms HOGG - We used remote control for loading. The operator was the train driver using the remote. Once it was loaded, it was intended for him get on the train and drive it to Devonport. What happened was that, as the minister said, the locomotive stopped responding to the remote control and started rolling towards Devonport. It was in that -

Mr DEAN - TasRail operates remote controls for loading?

Ms HOGG - Not any more.

Ms ARMITAGE - We are not using remote control-loading facilities at the moment until we understand the root cause of this issue.

CHAIR - Does TasRail have any indication of the financial impact of that derailment?

Ms HOGG - We are working with our insurers now. Seven wagons were written off through the derailment and the locomotive was damaged. We expect the insurance will respond to that, in which case we will be up for the excess of \$1 million. That will be the cost on that side.

There may be a cost on the public liability side. Again, our deductible on that side is \$500 000.

Ms ARMITAGE - Is that for the two people who were injured?

Ms HOGG - There were impacts to others as well, other businesses and the Devonport City Council.

Ms HOWLETT - Minister, what assistance has the Government and TasRail provided to tourist and heritage rail operators to support their activities?

Mr ROCKLIFF - Thank you for asking Mr Farrell's question. I have met with a number of heritage rail organisations in the last six months. They are very passionate people and I commend them for that. I want to do as much as I can to support them and their passion, which flows on to a community benefit, in my view.

We have delivered on our election commitments by providing clear policy and process for gaining access to the Tasmanian rail network, either through a network access agreement for the operational line or for a non-operational line through the strategic infrastructure corridors at 2016.

From the Government's perspective, we are continuing discussions with the Derwent Valley Railway and the Tasmanian Transport Museum to access the non-operational railway lines for tourists and heritage passenger services, and to provide practical assistance to help them realise their ambition. I was at the museum seven days ago; it is fantastic - buses, trams, trains. I commend it to you all.

We have committed \$25 000 to the Tasmanian Transport Museum Society and help finalise its rail safety accreditation process with the Office of the National Rail Safety Regulator and the progress with their planning works. We have committed \$25 000 to the Derwent Valley Railway for planning work. We have committed \$50 000 to the Don River Railway, which intends to seek access to the operational line to run services between Devonport and Penguin.

We are very cognisant that there are some hurdles around public liability insurance, which is the main topic of conversation whenever I meet with these groups. I have met with these groups for all my 17 years in parliament. I am considering how the Government may be able to assist with this burden and I am continuing to take further advice on this matter.

The important thing to remember is that as a government we are actively providing assistance to tourist and heritage rail. There is open dialogue with my office. TasRail is also playing its part. It provides assistance in a range of ways, including through open dialogue, sharing information and the reasonable donation of selected redundant materials.

TasRail's disposal of assets policy recognises that tourist and heritage rail organisations have an interest and need for rail assets. The policy commits to providing advanced notice of any significant and/or planned disposals. This includes advanced notice of items listed for disposal and advice as to whether the items will be made available through a tender, a sale, expressions of interest or a donations process.

To Mr Farrell's question, TasRail donations to tourist and heritage rail operators include more than 5000 sleepers, a number of legacy locomotives and various pieces of mechanical machinery. TasRail has also committed to making up to 15 000 sleepers available to tourist and heritage rail operators, representing a foregone revenue of some \$90 000.

These sleepers were removed from the south line, as part of TasRail's upgrade works and TasRail has committed to transporting these to Conara, at the cost of around \$25 000, to make it easier and cost effective for recipients to collect.

Any tourist and heritage rail organisation with an interest in the sleepers or other forms of support is encouraged to contact TasRail. I would like to thank TasRail for its ongoing support to the tourism and heritage rail sector in Tasmania. I also commend our CEO, Steve Dietrich, in his absence. Steve really wants to do what he can to assist in this area.

Mr ARMSTRONG - I thought this was linked to the livestock on the rail corridor, but apparently not. Your annual report said you have reduced complaints about vegetation management. It has been raised a couple of times in different areas when talking in other committees about the vegetation issue.

Mr ROCKLIFF - We have recorded a total of 31 vegetation complaints from the community in 2017-18. This compares to 79 for the previous year, and you have highlighted the reduction. Details about TasRail's vegetation management plans are available on the company website. Published information includes an overview of TasRail's approach and initiatives, an updated schedule of slashing and spraying activities and data sheets for the chemicals used.

TasRail typically undertakes two spray campaigns per year across the network, in autumn and spring, including the non-operational network. It takes approximately 10 weeks to complete this across the network with the actual timing dependent on weather and plant development. Mechanical slashing program will typically follow the spray campaigns and vegetation management activity also includes clearing line of sight obstructions in the rail corridor.

Mr ARMSTRONG - Are there any areas where you have been requested not to use herbicides to spray?

Mr ROCKLIFF - When it comes to the eradication of obnoxious weeds on no-spray zones, we maintain a sensitive areas list, which is to ensure chemical spray is not applied in sensitive areas - for example, known penguin colonies and habitat. Where members of the public formally request chemical spray not to be used in close proximity to their property for medical or other reasons, the address is added to the sensitive areas list.

Mr ARMSTRONG - Do they have to have a doctor's certificate or anything like that or is it simply a request that it is not used?

Mr ROCKLIFF - Requests can be made by contacting the TasRail Property Department first and, in all cases, the decision as to whether a property is added to the sensitive area list is a matter for TasRail. The spraying contractor does not have the authority to challenge a member of the public who may request that TasRail adds a property to the no-spraying list.

Ms HOGG - They only need to request it?

Mr ARMSTRONG - They do not need any medical certificate?

Ms HOGG - They do not need a medical certificate.

CHAIR - Mr Farrell, short-term incentive payments.

Mr FARRELL - Indeed, yes, being paid from the public purse as I am, I am always curious where others are also paid from the public purse. I understand we have a GBE modelled on commercial practice but everyone is still paid from money raised from the Tasmanian taxpayer.

My question is in regard to the short-term incentive payments. In all cases they are a reasonably large amount of money, from \$30 000 down to just under \$14 000. What are they all about? I understand the description given in the annual report but, to my simple thinking, someone is employed to do a job, they do the job, they get paid. If they do not do the job, they should not be paid on an ongoing basis. For example, for a safety area, you would think that the KPI is 100 per cent but incentives have been paid to go beyond that. Or is it accepted that people work under that level and you have to incentivise it to get it to that level? It is probably a broader business practice but I would like to know a little more about these short-term incentive payments.

Ms HOGG - This is a topic that exercises every board's mind in whatever sector they are in. In the TasRail circumstance we try very carefully to be fair, to incentivise for exceptional performance but for your average day-to-day, you get paid your base salary.

A safety issue can sometimes be a gate so that unless a certain safety or cultural performance is achieved, no incentivisation can be paid. In this current year we, as a board, deemed that if there was exceptional performance in a particular area, a portion of the incentive payment was allocated. In these cases it was not a full incentive payment. They were partial. It is, as much as it can be, an objective system. We can have debates about this left, right and centre, but we are very conscious that it needs to be something people are not being paid for in their everyday job; they are being paid to achieve something well in excess of that if an STI payment is involved.

Mr FARRELL - For example, if a manager gets paid for having outstanding safety, it would rely on people on the ground - the locomotive drivers, the yard people, everyone - improving their performance. Does that trickle down to the staff or is it just a reward to the management?

Ms HOGG - It is to the 45 employees. Their role is to manage people in their teams and to provide an environment where, in your example, safety is very much valued and encouraged and give them the tools to enable that. It is only the 45 employees who will get an STI payment like this. As you say, it relies on the whole broader team. Therefore, it is about the leadership those 45 people provide to enable it to happen broadly throughout the organisation.

Mr FARRELL - This raises an issue for me. In the annual report, a staff member was paid a short-term incentive payment. I gather that the staff member must have been performing adequately. Then it appears that employment was ceased, as it says, 'There was a payment in lieu of notice'. I imagine, thinking logically, that the person was encouraged to go with a payment of \$66 867, but had previously been given a short-term incentive payment. There are probably conditions about this that are sensitive.

Ms HOGG - Yes, there are confidentiality issues I will not cross here. It was a redundancy restructure, not a performance issue. In terms of the senior leadership

team now in place, only four members report to the CEO, a number less than previously there. It was a redundancy, a removal of a role, not a performance issue.

Mr FINCH - The removal of the role will save money in the long run?

Ms HOGG - Yes.

Mr ARMSTRONG - Minister, you were saying how all the sleepers are going to provide for the heritage rail people, so there were many upgrades of the main rail system over the last few years. What is the condition of the rail now, compared to 20 years ago? You could categorise it as good, very good, poor. Could give me a breakdown?

Mr ROCKLIFF - It is a hell of a lot better.

Mr TOMLIN - It is a very big question and obviously a lot of work has been done across the operational network to bring it up to a fit-for-purpose standard. We measure the quality of the track with precise metrics across the different lines. To provide an update to the committee, as of October 2018 when you look at the percentage of track across our primary lines rated in combination as good or fair, the western line is considered either good or fair to 96.75 per cent. The south line, 96.77 per cent, and the Melba, 93.93 per cent. You can tell very precise engineers have calculated these numbers. The Bell Bay line, combination of good or fair, was 88.1 per cent; Fingal line, 96.97 per cent; and the Derwent Valley line, 82.1 per cent. As the capital program has rolled out across the network, there has been a dramatic improvement in the condition of the track, specifically the rail condition. As the chair and minister commented before, this is really what has led to trains running on time across the network, and trains that are on time attract more freight.

Mr ARMSTRONG - The record tonnage for November of 331 591 tonnes. Was there the tonnage in one specific area, whether it was the forestry big uptake, coal or general freight?

Mr TOMLIN - I do not have the exact breakdown of the 331 000 tonnes in November, but across the financial year 2017-18, intermodal logs were the standout performers across all our customer base. I could take this on notice for you, if you want to see a specific breakdown of that month.

Mr ARMSTRONG - I would be interested in that compared to other months.

Mr DEAN - Regarding noise, with the build-up of more freight coming into Launceston, because of Toll, I have received a number of complaints about the noise level of trains in the area. In particular, they seem to sound the foghorn all the time, in the early hours of the morning and so on. What is in place to control this in built-up areas? There are probably others, but Launceston is a good example.

Mr ROCKLIFF - There are other examples closer to my neck of the woods. In Devonport we have had some issues with the sound -

CHAIR - Ulverstone.

Mr DEAN - What is the position there? Is there anything in place to control that? Is it necessary?

Mr ROCKLIFF - At the end of the day -

Mr DEAN - I am seeing a nod from the back. It probably is in place.

Mr ROCKLIFF - Yes. At the end of the day it is about safety first, and I pass to Neale on the operational matter, but we have had considerable feedback.

Mr TOMLIN - In the event that someone in the community has a complaint or a specific reason, they always phone through to TasRail or they can email us in real time. We always discuss that with them, and then if there is a cluster of complaints around a particular time or location, we can then go back to the locomotive that actually logs the sounding of the horn so we can determine on particular services when and for how long the horn has been blasted and make sure that is being done consistent with the policies and procedures that we have for it. The community comes to us and we have a discussion, we can backtrack into the locomotive's data and follow it up, and if there was a circumstance where the horn was blown more than the procedure required, that can be addressed.

Mr DEAN - There is nothing in the annual report in relation to board meetings and attendances. We get that in other annual reports but I cannot find it in this one; if it is there, I have missed it.

Ms HOGG - It is in the director's report, on page 44.

CHAIR - When it comes to noise, you would not want to be in Murray Street on a Wednesday night - that is noise and it is constant. It is university night.

Mr DEAN - I am looking at the number of board meetings, and it would seem there were eight board meetings for the year, which is not a lot.

Ms ARMITAGE - TasWater have 14.

CHAIR - That is not one every month, no.

Ms HOGG - No. There is always a balance about management time and preparing for boards but making sure the board is close enough to what is going on. This is the balance we have found works. We do not have one in January, we do not have one in July, and then in April and October one is set up tentatively if it is needed. That is how we have worked it and it has been working well. If an issue like the September derailment comes up, there are numerous board meetings which have phone calls and so on where we all get together. It is a bit ad hoc, but there is a lot of involvement from board members.

CHAIR - Thank you.

Ms SIEJKA - In other jurisdictions, there is a chance for departments and GBEs to look into things like introducing reconciliation action plans so that they can increase the number of Aboriginal and Torres Strait Islander employment in land management and so on in which you might have tracks. Are there any plans or discussions being held about having a reconciliation action plan for TasRail or is that something that could be considered?

Ms HOGG - I think that is something we need to look at. A lot of work is being done on many cultural aspects within TasRail, but I think this might be an area we have not addressed. We are working very hard on the gender diversity element - as you can see from sitting at this table - but more broadly through the organisation we

are working on the current renegotiation of the EBA, trying to set up structures to enable women to progress through to train driver roles and so on. We are looking at engagements very strongly, but I would say this is an area we probably have not looked at as much as we could have. Thank you for your question.

CHAIR - We have gone past our allocated time and, again, we always seem to run out of time through this process but we do the best we can. Some members, unfortunately, miss out on asking questions but we will have other opportunities.

We very much thank you for your time and we particularly thank Neale for stepping in today. We express our good wishes again to Steven Dietrich.

The committee suspended at 1.04 p.m.

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 5 December 2018

MEMBERS

Ms Armitage (Deputy Chair)
Mr Armstrong
Mr Dean
Mr Farrell
Ms Howlett
Ms Rattray (Chair)
Ms Siejka

IN ATTENDANCE

Hon. Elise Archer MP, Minister for Racing

Ministerial Office

Mr Chris Medhurst, Adviser

Tasracing Pty Ltd

Mr Gene Phair, Chairman

Mr Daron Heald, Chief Financial Officer

Dr Alicia Fuller, Acting Chief Executive Officer

The committee resumed at 2.00 p.m.

CHAIR (Ms Rattray) - I welcome members back to the table.

Minister, welcome in your capacity as the Minister for Racing. We would appreciate you introducing your team at the table and then providing the committee with a brief overview of how you see Tasracing, and then I will open to questions, thank you.

Ms ARCHER - Thank you, Chair. With me, I have our new chairman of Tasracing, Mr Gene Phair; our acting CEO, Dr Alicia Fuller; and then Mr Daron Heald, our Chief Financial Officer.

A brief overview, if I may. Much has happened in the last few years in relation to our racing industry and for the better. The Government is continuing to restore the racing industry's sustainability and the jobs it supports in regional Tasmania. There are around 5500 people involved in racing across our state, and a large proportion, at least 46 per cent - of those are in our rural and regional areas. So, it is an incredibly important industry to Tasmania, one that is entrenched in our Tasmanian culture.

The 2017-18 financial year for Tasracing was positive in a number of important areas, and I want to run through a few things briefly.

As the new Minister for Racing, I have not been in the position long myself. I am particularly looking forward to continuing the strong gains made over the past four-and-a-half years since we came to office. Driving revenue growth continues to be a key piece of work and a priority for Tasracing. Wagering turnover on Tasmanian racing product increased by over 12 per cent to \$576 million, which, as a result, is delivering an increased race fee revenue. A revised pricing structure for race field fees provided a \$2.6 million increase in race field revenue for the year.

While there is no doubt we made some tough decisions in recent years since coming to office, that has been reaping rewards with Tasracing now providing the industry with two funding increases across the three codes during the reporting period - an initial code funding increase of 6.2 per cent to all three codes in July, followed by a second increase of 6 per cent in January.

Total prize money for the industry in 2017-18 reached \$23.3 million, an increase of 12.2 per cent, or \$2.53 million.

In addition, Tasracing's strong digital presence continues to play a very important role in ensuring our racing product is easily accessible to as many customers as possible, both interstate and international.

Customer engagement with Tasracing via its three websites grew by more than 16 per cent. Live streaming and replays continue to be highly valued by punters, with both products contributing to more than 20 per cent of total customer engagement with Tasmanian Racing Online.

A strong focus was maintained on offering wagering customers unique live racing coverage. It is worth stating the industry's role in providing an excellent racing product - one that is professional, competitive and attractive to punters - has been critical to this commercial success. So, a real professionalisation. There is more professionalism now, which has made the industry highly competitive with our neighbours.

With cash reserves of more than \$16 million, the company's financial position is strong. This money will be used to invest in infrastructure development, such as the replacement of the Elwick thoroughbred tracks. As noted in the annual report, with the support of the industry after extensive consultation, the Tasracing board signed off on a single 28 metre-wide replacement track.

On that note, I am pleased to announce that StrathAyr has been appointed head contractor to redevelop the Elwick thoroughbred track, supporting Tasmanian jobs in

line with our Buy Local Policy. As members may know, StrathAyr is a wholly Tasmanian-owned business with general farming and turf-growing operations in Tasmania. They also have turf-growing operations in Victoria. In Victoria, they employ 22 people, while in Tasmania, they employ 14 people. With this redevelopment they will employ three additional Tasmanians.

The major earthworks subcontractor, fencing and retaining subcontractors will all be Tasmanian. Most of the materials will be sourced locally with only specialty products sourced from overseas. Before being awarded the lead contractor role, StrathAyr had a contract in place to plant approximately 65 000 square metres of specially selected turf to Tasracing specifications for the project. Construction works are currently planned to commence after the running of the 2019 Hobart Cup, with completion expected before the 2020 Hobart Cup, so approximately 12 months.

On another positive note, this year saw another highly successful Tasmanian summer racing carnival for thoroughbreds. In addition to the racing, a number of highly successful events supported this year's carnival race meetings. The Tasracing team worked with the host clubs to deliver an unprecedented number of major hospitality and social events during the carnival. I am confident this work assisted in increasing attendance figures across the carnival, with Tasracing's youth racing marquees sold out on Devonport, Hobart and Launceston cup days.

I know members are interested in our animal welfare so if I could just have your brief indulgence. Animal welfare continued to be an issue of critical importance to Tasracing. Adoption numbers in the Greyhound Adoption program, which we affectionately call GAP, increased from 111 in 2016-17 to 116 in 2017-18, which is a new record for the program.

During the reporting period, Off the Track launched a comprehensive support program for horses at all life-cycle stages, with a core emphasis on equipping as many people as possible with the skills and opportunities to build a solid and enduring partnership with their horse. With more than 200 registered participants and multiple educational and social activities every month, Off the Track is a unique initiative, offering insight into the welfare of Tasmania's ex-race horses well beyond retirement from racing and placement into the post-race racing home environment.

In conclusion, I take this opportunity to thank and congratulate the Tasracing Board and all at Tasracing for their combined commitment and hard work in achieving in all these positive results. I acknowledge and pay a special tribute to the former chair, Dean Cooper, who was instrumental in steering Tasracing and the wider racing industry through many major challenges, resulting in substantial improvements to business performance and a much better environment in which to invest in and grow the racing industry. Thank you to Mr Cooper for his nine years of dedication and hard work on the board and the last three years as chair. I look forward to working with Tasracing, racing clubs and the broader Tasmanian racing industry to maintain confidence and certainty into the future.

CHAIR - Thank you very much, minister. You made a point about how Tasracing has had a lot of changes over recent years. Changes at the top have been constant, so I think we might get that question out of the way before we go to the financials.

With the greatest respect to the acting CEO whom we have at the table now, could we have some indication from you as minister on how confident you are in the next recruitment process for the CEO. It seems to be a revolving door.

Ms ARCHER - It does. A number of people have left for personal reasons. I am the new minister and was not around for those terms, but I am aware a lot of these things happened for personal reasons.

Also, the board has made some decisions around remuneration and similar issues. To be or remain competitive with other states, we need to be able to attract people to the industry. Some people can leave the industry because they are attracted elsewhere. That can be an issue and has been in the past.

I am very confident, with a new chair sitting next to me who has a lot of experience in the corporate sector. I would like to assure members Mr Phair is highly regarded. He has a keen interest in racing. If members were not aware, he is currently the head of Shadforth's Financial Group and was previously head of corporate and capital management with IOOF Holdings; prior to that he was financial controller with TOTE Tasmania. He is also currently chair of the Hutchins School Board and was previously on the board of the Heart Foundation, so he has board and financial experience.

His vision will be very much in the same direction of economic stability, making improvements and gaining on what has already been achieved by the Tasracing Board to date. Although there has been change, I am very confident. Certainly, with an interim chair like Alicia Fuller, who has been managing through this process, it is a very sturdy ship. Since taking over as minister, I have not felt there has been anything other than pure professionalism and the board is looking forward to the future.

We have had a recruitment process for the new CEO. Applications closed on 26 November. There is a process to go through, so I cannot make any announcements today in this regard, but we will make this public as soon as a decision can and is made.

CHAIR - Thank you, and welcome back to the racing industry for the new chairs - 14 years he has been away, so thank you and I appreciate that.

Mr DEAN - The industry involved - and a number of them have spoken to me and other members - are concerned about this revolving door of CEOs. What they are saying is that it takes 12 to 18 months to know the organisation, but these CEOs are leaving after about 18 months. Surely, the contract drawn up for the next CEO will be a reasonably tight? I do not know how you can do this, but it needs to be the right contract to ensure we have a CEO who is in the position for a certain period of time.

What has happened? Have there been penalties or payouts required of Tasracing where CEOs have left? What has been the cost to Tasracing, with the last five or six positions?

Ms ARCHER - On the payout, I will pass to our chief financial officer. At the outset, you have a contract, as members will be well aware, and whether it is a three- or whatever-year term if someone, due to personal circumstances, leaves their employment, we have no control.

Mr DEAN - But, minister, with the greatest respect, a lot of the CEOs are from the mainland. It cannot be personal for all five or six of these. There has to be other

reasons. Is it personal if whoever it is still continues to live on the mainland and work here? To me, it is not personal.

Ms ARCHER - I am not sure if it is five or six. That might be an exaggeration. I do not think we have had five CEOs in quick succession. There have been a few and we have been open about this as much as we can, but I am not going to reveal people's private or other reasons for leaving. It is one of those situations where, if someone chooses to resign, the board has no control over that. I, as minister, have no control over that. I am sure the board can do whatever it can without breaching any employment laws in the process of tightening contracts if they need to be tightened. I am sure that contracts to date have been entirely appropriate and any clauses have been followed and adhered to.

With that, I will throw to the Chief Financial Officer of Tasracing if he has anything to add in relation to what may or may not have needed to be paid out.

Mr DEAN - Minister, can I quickly tell you why this is important, if you do not mind. I got information from people within the industry that a previous CEO mentioned, Mr Lynch - in fact, there was discussion with the racing fraternity on Sky 3 about Sky 2 and wanting to go to Sky 1. This CEO, allegedly, from my information, told them they needed to wait for a time, but that CEO then went to Victoria and within a very short time implemented over there exactly what they were talking about here. That is their concern.

Ms ARCHER - Mr Dean, I am not trying to frustrate this process at all, but I cannot comment on things that might be hearsay. I have not had that directed to me, nor have I had a discussion with the former CEO. I have not had that opportunity. I have only just become the minister. I am aware that the reasons given by Mr Lynch were personal reasons. That is all I am at liberty to say and can say and know about. What is fed through to members from the industry, I cannot comment on.

I will throw to the Chief Financial Officer because at least we can answer what we have had to do in accordance with the contracts.

Mr HEALD - The three executives who left during the year included Vaughn Lynch, John Luk and Kim Elliott. All three were paid solely their leave entitlements. None of those had any other payments apart from the leave entitlements they were entitled to.

Ms ARCHER - No severance payouts?

Mr HEALD - No.

Mr DEAN - No severance payments there at all?

Mr HEALD - No. We discussed Mr Tarring's last year; he was acting CEO in between Eliot Forbes and Vaughn Lynch. He was paid time off and time in lieu, with notice. That was a different arrangement there. All three others since then have all been simply leave entitlements.

Mr DEAN - My tip to you is not to employ a Victorian.

Ms ARCHER - That would be discrimination, Mr Dean.

Ms ARMITAGE - It wouldn't really, buy Tasmanian.

Ms SIEJKA - I am interested in exploring the point of consumption tax, which was discussed with Ms Courtney when she was in the role. Other jurisdictions have introduced this now. It sounds like it is mostly around every other area of the country. During budget Estimates the minister said she was seeking further information from the Treasurer regarding the introduction of the point of consumption tax. What advice has been received and what is the status of this? How much has that opportunity for additional revenue streams for the industry been explored and where is that at?

Ms ARCHER - I can give you that update. I can confirm that discussions regarding the implementation of a point of consumption tax have been occurring at a national level, as you have identified. The Treasurer has been an active contributor to the discussions that have taken place. The implementation of such a policy is complex, however, and there are many issues to consider. In Tasmania's own case, all options being discussed would have an impact on the current deed arrangements with UBET, which would likely require renegotiation.

The Tasmanian Government has committed to no new taxes for Tasmanians. There are concerns that a wagering tax on corporate bookmakers could be passed on to consumers by lower odds, which would effectively see the consumer bear the impact of the new tax. The Treasurer will continue to monitor the progress of the point-of-consumption tax elsewhere and the implementation in other jurisdictions and continue to work with his counterparts to explore opportunities to harmonise the taxation of wagering activities across states and territories.

Those deed arrangements, following the totes, are unique to Tasmania. Members will probably recall those circumstances. Tasmania is not in the same situation as the other jurisdictions so that does complicate things for us. Of course, we also, as a government, are not interested in introducing new taxes either.

Ms SIEJKA - Did the exploratory process get as far as modelling what any potential benefits or otherwise would look like?

Ms ARCHER - I do not have personal knowledge of that. That is happening, as I said, at a national level between treasurers. Some things that occur in Tasracing require the Treasurer's sign off as well as myself as minister; we are shareholder ministers. As this issue is taxation, it is definitely in the remit of the Treasurer.

Mr ARMSTRONG - I want to touch on workers compensation. Your target was \$517 500, and it was \$1 841 000. Can you explain? There must have been a couple of bad accidents. How long will it take before that reduces or comes in?

Ms ARCHER - We are dealing with a few statistics there. I ask the CFO or the CEO to address that workers compensation issue.

Dr FULLER - Tasracing has a statutory responsibility for workers compensation for licensed jockeys, apprentices and trial riders while they are riding at races, official trials and training and at all venues. That includes privately operated training venues as well as also covering all direct employees of Tasracing. We are all aware that racing is a dangerous sport with inherent risk. A number of injuries have been to the jockeys and trial riders. Although it has been relatively consistent over the last three financial years, we had a very large accident last year. In 2015 23 jockeys and trial riders were injured; in 2016, 22; and in 2017, 18, of which 14 resulted in a claim. In 2018, 20 jockeys and trial riders were injured.

Workers compensation presents the largest single financial risk to Tasracing. Due to the fact jockeys and apprentices are unlicensed, sometimes we do not have complete control of this risk. It has no regulatory control over private training venues either. So, there are a couple of issues there.

Tasracing procures a burner-style policy where the premiums paid vary between a specified minimum amount and an amount set by the insurer, depending on the number and severity of claims in an insurance year, which is why we have had an increase. If we look at the different years, in 2014-15 there was a minimum deposit of \$624 000 and a maximum deposit of up to \$2.3 million.

I will go to the actual costs. In 2014-15, \$676,436; in 2015-16, \$1.416 125 million; in 2016-17, \$609 000; and in 2017-18, where we have this large over-expenditure, \$2.249 639 million.

Tasracing has been successful in reducing its minimum premiums over the three years to 2017-18. However, the premium in 2018 was affected by the large actual cost in 2017-18 due to serious injury. The total cost for financial year 2018 was \$1.3 million more than financial year 2017, due to an unfortunate high cost in jockey injuries. That raised the maximum premium payable for the 2017-18 insurance year. A mechanism has been adopted, whereby the cost of jockey work as compensation is met over time, by the thoroughbred code allocation. Other codes of racing have not been directly financially impacted by the thoroughbred code workers compensation cost. While the thoroughbred code pays for the minimum premium, Tasracing remains exposed to the coverage of the maximum premium. Tasracing continues to action a suite of risk mitigation strategies in place for the short term and long term, incorporating legislative responsibility as a safety racing policy, return to work processes and safety culture.

Ms ARMITAGE - Some more clarification on what those strategies and planned strategies are in place for jockey safety?

Dr FULLER - The review of the injury management practices in 2014 resulted in the development of a comprehensive injury management program focused on early intervention and a safe and sustainable return to work. The structured injury program is reducing the amount of time an injured person is out of the workforce, which has a direct benefit for the workers compensation premiums. We continue to develop the working relationship with the insurers. From an asset safety point of view, this involves our work health and safety policies and making sure our venues are all up to safety requirements.

Ms ARMITAGE - This is more what I was looking at. What you are doing to prevent the accidents, rather than getting them back to work?

Dr FULLER - These are all from an operation aspect. Being very up-to-date with all our work health and safety operational policies, making sure our assets and facilities and racing policies are up to standard.

Ms ARMITAGE - The regular reviews of the tracks.

Dr FULLER - Yes and regular reviews of all our policies for operational staff and operational functions on race days, as well as our training venues, and updates to track rules and operational processes.

Ms ARCHER - It is probably worth mentioning what the stewards also do.

Dr FULLER - Obviously, the Office of Racing Integrity is responsible for the stewards, but the stewards' responsibility on race day is particularly towards the safety aspect of the actual function of race day and the facilities at the time. They constantly review whether they feel tracks and training facilities are safe for those activities to occur.

Ms HOWLETT - Minister, I have been to the Magic Millions sales quite a few times on the Gold Coast and it is an enormous amount of fun. How are sales performing here?

Ms ARCHER - I cannot say I have been to the Magic Millions. It might be one of my ambitions one day.

Mr ARMSTRONG - It would be nice to have the money to buy one there.

Ms ARCHER - It would, Mr Armstrong. The 2018 Magic Millions Tasmanian Yearling Sale was the sixth sale to be completed under the direction of the Yearling Sale Working Group. The group was devised as a result of the development of the three-year agreement between Magic Millions, Tasmanian breeders and Tasracing. It is great to be a part of this agreement. Magic Millions, Tasmanian breeders and Tasracing have agreed to enter into a further agreement until after the 2021 sale. The agreement secures ongoing support of one of the nation's leading bloodstock companies, Magic Millions, ensuring national exposure for the Tasmanian breeding industry. That is really the main aim. Tasracing provided \$130 000 towards the operation cost of the 2018 Magic Millions Yearling Sale. Early indications for the 2019 Magic Millions Tasmanian Yearling Sale are strong, with 142 horses already catalogued. I am not sure when the cut-off might be, but with 142 horses catalogued, it is a good sign for our breeding industry.

Mr ARMSTRONG - Do you know how many we normally have there?

Ms ARCHER - That is a question probably for those on my right.

Dr FULLER - The lots have been growing year on year. In 2014, around 96, and we are gradually going up - 2015, 121; 2016, 126; 2017, 133; and then 137 in 2018.

Ms ARCHER - It is already steadily going up.

Mr ARMSTRONG - Would we know how many of those were sold and how many were handed in?

Dr FULLER - It is interesting. Percentagewise on sale, the percentage cleared in 2014 was 87.4 per cent, and last year we decreased to 76 per cent. It has been a steady decrease over the years, although the gross revenue from the sale has increased. In 2014, gross revenue was \$1 million and in 2018, it was \$2 806 500.

Ms ARCHER - We are talking about quality not quantity, are we?

Dr FULLER - Yes.

Mr FARRELL - There is concern at the Brighton training facilities that a few issues they have been raising for quite some time haven't been adequately addressed.

One is a footbridge for the pool to help with swimming the horses. There is the treadmill that needs repairing and there was a proposal put forward to move the barriers a couple of hundred metres to help train the young horses away from the ones that are galloping.

They are wondering what is going on with that and why it is taking so long to get this rectified. Is it linked to the decrease in spending on training and racing facilities in the annual report, some \$760 000 less this year than it was last year? Is this the reason behind the issues at Brighton?

Ms ARCHER - Thank you for that question. I am going to ask Dr Fuller to address that, being of an historical nature as well.

Dr FULLER - I will start by saying that these are operational issues. These issues and complaints raised by industry are acknowledged and taken very seriously by Tasracing. We recognise that all these issues need to be resolved and we are currently working with industry to resolve these issues.

The three you raised are regularly communicated with, particularly via the trainers' associations but also at our quarterly shareholder meetings. I can give you a little bit of an operational update on a couple of those issues.

We have had a new treadmill built, and that is due for delivery some time in December, so that is why there has been a bit of time there. With the footbridge, there is an engineering factor that needs to be taken into consideration now the pool is wider, which I believe was to aid with the swimming initially, but it has meant the footbridge being put in place is taking a little bit longer than it would have normally had it been the same width as previously. The operations team are involved in the other issue that you raise. All sorts of workplace health and safety considerations and track rules have to be taken into consideration.

Mr FARRELL - Is that the reason for the decrease in spending?

Dr FULLER - Sorry, I might throw that one to the CFO.

Mr HEALD - Last year, 2017, was also a very good year for us financially. We took that opportunity to clear a backlog of maintenance work that had built up over the years. Last year's spending was particularly high so this year's spending was returning back to normal levels. That is the only reason for the discrepancy there.

Ms ARCHER - So it is not a cap cut as such; it is just going back to what you thought it was.

Mr HEALD - No, especially with items such as pools, these are high priority items that we deal with as soon as we can.

Mr FARRELL - Brighton is no longer in my electorate, Chair, but that was raised when it was.

Ms ARCHER - Is this one of those changes, Mr Farrell? You lost Brighton.

Mr FARRELL - Yes, I think that is in Prosser now.

Dr FULLER - Yes, it is.

Mr DEAN - I want to ask a question in relation to the Off the Track program and I guess I can use the GAP program in this, particularly in relation to the Off the Track program. Why does Tasracing have to engage in that program and what money is put into that? As I understand it, there could be a property that is either being bought or being considered for being bought for the purposes there of the Off the Track program? Surely, if an owner has a horse that is not racing properly or it is too old to race, it should be their responsibility to either use that horse in a proper way or humanely dispose of it. Why Tasracing - is it to please the activists?

Ms ARCHER - Of course Tasracing's primary concern other than running the business side of things is that Tasracing considers the welfare of racing animals across all codes to be of paramount importance. It has therefore in place rules, policies and other strategies to enhance animal welfare outcomes, and that includes on the retirement of animals.

What is equally important in what you have mentioned is the need to responsibly facilitate the exit of animals from the racing industry and promote where possible the successful transition to careers after racing. You mentioned the Greyhound Adoption Program - it is not-for-profit department created by Tasracing. The goal of GAP is to aid in helping greyhounds find a permanent pet home after retiring from their racing career, as well as building the profile of greyhounds as pets. I would not say it is in direct response to activists, but Tasracing should be commended for taking on this type of commitment. We all saw the program that highlighted issues in the New South Wales greyhound industry in 2015. Thankfully, they were not happening in Tasmania after it was thoroughly investigated. It brought to the fore an understanding the welfare of these animals is not only during their racing careers, but post their racing careers.

We have a masters race for greyhounds. Once they are a certain age, they can now continue to race in a master's event. In addition, GAP is also a national program with a specific framework and methodology agreed by all state-based GAP programs. It is good this is being implemented nationally. Again, Tasracing has and should take on that responsibility. Members are probably aware a dog that enters this type of program is temperament tested, desexed, wormed, vaccinated, microchipped and provided with other routine veterinary care procedures.

Mr DEAN - At the cost of?

Ms ARCHER - There is a program cost to Tasracing.

Mr DEAN - So it is a cost to Tasracing, not the owner?

Ms ARCHER - Yes.

CHAIR - The owner does contribute.

Ms ARCHER - Perhaps if I can have the finance side to be explained in this regard.

CHAIR - You might give us an update on where we are with the property purchase.

Dr FULLER - Yes, I can certainly. With these programs, it is really important to note both the Greyhound Adoption Program and the Off the Track program are national programs.

Ms ARCHER - Off the Track is the horses.

Dr FULLER - Off the Track is the horses, yes. It is really important to note the survival of the racing industry is going to revolve around its ability to be responsible for the animals it has within racing and therefore the welfare afterwards is highly important. I agree with you the owners have a responsibility, but as a racing authority and racing integrities, we also have a responsibility to facilitate the rehoming of animals. The industries are certainly now very dedicated to realising they need to assist with rehoming and re-educating their animals into their next sort of career. It is the responsibility of the overriding racing authorities to drive the process.

Mr DEAN - How many horses have been involved in the Off the Track program for the last 12-month period and at what cost to Tasracing?

Dr FULLER - The actual number of horses involved is considerably smaller than in other states, because we run a slightly different program. In the other states, a lot of them just take in ex-racehorses and then rehome them. We have a slightly different strategy, because we have a very limited budget and also putting more responsibility to the owners. We facilitate the rehoming of the correct racehorse with the correct new home, so hopefully have really good outcomes and these horses go into good environments where they are looked after. It is a similar approach to GAP, although that is a much bigger program because the greyhounds have been running a lot longer.

From a financial point of view -

Mr DEAN - The number of horses that have been rehomed?

Mr HEALD - Off the Track is reasonably minimal at the moment as it is starting off. We contributed around \$60 000 in total last year for Off the Track promotions. That is expanding with the introduction of our re-education program we implemented this year. It is an education program for horses and for potential owners. We are matching owners and horses and working together with them to ensure good outcomes. We expect this program will expand significantly. Nationally, it is generally accepted that around 1 per cent of stakes get attributed to these animal welfare programs from thoroughbreds. We are may be a long way from developing a program of that size but that is probably where it will end up at some stage.

Mr DEAN - Have you purchased the property I mentioned in the first place?

Ms ARCHER - I can give a brief overview. If we need any more detail, I can throw to Dr Fuller. The Tasracing Corporate Board, as members may be aware, approved the construction of a purpose-built greyhound adoption centre. However, council approval was only very recently passed in November - we are only in early December.

Tasracing has also been investigating the alternative option of purchasing or leasing an existing facility throughout 2018. It continues to do so in view of the potential build times on the recently approved site. We have the benefit of other jurisdictions having done something similar or adopting a different approach. We can consider the best possible model. The hold-up until had been council approval issue of the site.

CHAIR - Minister, are you moving forward with your initial GAP facility purchase and that development?

Ms ARCHER - Yes. What has happened to date has been a planning issue, which is not unusual, as we all know. It needs to be built. Tasracing is also exploring other options for leasing other premises so we have somewhere to start the full program.

The other thing Tasracing has been looking at - and as the Minister for Corrections, I have a hand in this, wearing another hat - is to expand the capacity for the GAP foster-care program within Risdon Prison. It is currently in the preliminary planning stages. A lot of things need to be considered, not least of all where to do it, with what types of prisoners, security and otherwise. It is highly successful in other jurisdictions and it also has good prisoner outcomes with rehabilitation.

Mr DEAN - Is there an off-track horse property being considered for purchase? I have been told there is about \$1.4 million set aside for a property. Is that right?

Dr FULLER -. No, there is not a property being looked at for the Off the Track program at this stage. That is something that has been done in other states but it is not part of the Tasracing current strategy and it will not be in the short term.

If possible, I would like to take your question on notice. I cannot answer it accurately at this stage. I have not yet been able to find the exact number of horses in the Off the Track program, unfortunately.

Ms ARCHER - Do you put questions on notice in writing?

CHAIR - We do. I am interested in the number of greyhounds and the cost that sits adjacent to that, including those funded under the Brightside GAP program.

Ms ARMITAGE - I note that there are 116 greyhounds from 2017-18 and you do not have a facility as yet. Did they all go to Brightside or can you tell me where they went? If they went to Brightside, were they funded per dog?

Dr FULLER - I confirm the numbers refer to those rehomed through the Tasracing Greyhound Adoption Program. Currently, we do not have any access to greyhounds rehomed through Brightside, nor any control over its rehoming program.

Ms ARMITAGE - When you say they are rehomed through your own program, is that to individuals?

Dr FULLER - Yes.

Ms ARMITAGE - How do you do that? Do you advertise? How do you find the homes for them if you do not have the facility up and running yet?

Dr FULLER - At the moment, we do not have a front-of-shop facility, which is what we are looking to build. We have a kennel facility, which is on private property. We still run a full fostering program. We also take the dogs out and about in the community. All of those things we currently do would still be in place even if we build a purpose-built facility. A purpose-built facility would enable us to increase the numbers we can hold in a kennel environment at any one time.

Ms ARMITAGE - Have you found a site for that yet?

Ms ARCHER - No, that is what I was talking about with the site, which has had a planning delay.

Ms ARMITAGE - Are they separate sites, the one Ivan Dean is talking about, for horses and dogs, or will they be a combined site?

Ms ARCHER - No, for Off the Track there was no facility, so we clarified that. For horses, no facility.

Ms ARMITAGE - With wagering turnover in Tasmanian racing increasing substantially by 12.4 per cent in 2017-18 to a record \$576 million, does this mean that Tasracing will be less reliant on government funding if turnover continues to rise in the future?

Ms ARCHER - I will start off and any detail, I am sure, will be added to by the CEO or CFO. Wagering turnover in Tasmanian racing is a significant source of industry revenue through race field fees paid by wagering operators. Just for some detail, for the financial year 2018, race field fees are \$13.3 million. We are up 25.8 per cent on the prior year, on top of an increase of 11.5 per cent in the financial year 2017. You are correct, that is increasing. Wagering turnover on Tasmanian racing last financial year increased also by \$63.3 million, bringing it to \$576 million, so this represents a 12.4 per cent increase following a similar increase of 8.6 per cent the previous year, 2016-17. This 12.4 per cent increase was achieved despite no change in the volume of races in the financial year 2018.

There is that improvement in turnover. In my introductory remarks I advised the committee in relation to the first and second increases that were able to be paid to the various codes because of this.

Tasracing has responsibility for the commercial performance of the Tasmanian racing industry, and growing wagering turnover is a key corporate goal. These results are tangible evidence that the commercial strategies developed and implemented by Tasracing are working for the benefit of the industry. Also, it is important to highlight that it is achieved in the face of significant competition from other entertainment options or sources and at a time when there is increasing pressure on consumers' disposable income.

It is also important to note the initiatives now being carried out by Tasracing. I mentioned the Elwick thoroughbred racecourse new track. Tasracing has accounted for \$12.5 million for that and that is solely being funded on its own cashflows, not going into any debt or relying on any handout from government or anything like that.

I might throw to the CFO or Dr Fuller in relation to that final part of your question. I am sure it is an aim of Tasracing to keep building on those financial gains and at the same time be able to return. I think we have already returned to the pre-Tote sell-off in what goes back to the codes, but I am sure that can be more eloquently explained by those on my right.

Mr HEALD - Unfortunately, the commercial revenues of the organisation are still quite small in terms of our total funding. As you say, we receive about \$13.3 million in race field fees. Our total annual budget is about \$47 million to fund the industry.

We have certainly has been making very strong gains with the race field fees and our commercial incomes; 10 per cent double-digit growth in wagering turnover in an industry which has been around as long as wagering has is really quite outstanding, and we have pushed hard on pricing to constantly perform above that to get our revenues even higher than that.

We would think there is a limit to how much we can charge wagering operators in percentages. We are charging them about 20 per cent of their profit margins at the moment. I doubt there is much more we can actually charge them on that, so there are unlikely to be major price increases into the future. However, our turnover continues to be strong and we will continue to promote this and strongly hope we will continue to see double-digit growth in our race fees, because of that. In overcoming the full funding, we are a long way away from achieving this, but will continue to work on it.

Ms ARMITAGE - Do you find it is difficult getting people to come along to the racecourse? I accept a lot of wagering is online, but people actually coming to the racecourse? Is this declining now and would be disappointing, rather than being there? What are you doing to address this? Even Launceston and Hobart cups numbers are down.

Ms ARCHER - In my introductory remarks you may recall me talking about the initiatives of the televised nature through Sky Channel. Digitisation and all those things are there to attract viewers through other means, because the numbers are down on tracks, which impacts on the local clubs, because they provide catering facilities and is their source of income.

Dr FULLER - We recognise course attendance is down and we would like to increase it, along with the clubs. Providing a facility to cater for them as well, to help them encourage new members and bringing people onto the race course. Realistically we target as a strategy the major race days to try to have good attendance then. We do them by this marketing and by providing a good on-course experience and product when people attend.

Ms ARMITAGE - Numbers are still declining?

Dr FULLER - Yes, still. The other thing we are doing is to partner more with the clubs to try to increase course attendance. There was an extra one-off grant of marketing of \$10 000 made to each of the major clubs this year, to assist them with marketing their larger cup days and whatever they bring to it. It should do. Obviously, we will not be able to assess at this time. Some of our other strategies involve having marketing days with the clubs to try to give them the skills to market their products and membership.

Ms ARCHER - It is important to note many racing clubs run on volunteers and do not have the staff available. Tasracing has taken upon itself to facilitate this with clubs and partner with them, if you like. Not taking over their role, but certainly providing and equipping them with some skills that can help them develop their own websites and Facebook pages. That is the nature of so many things these days. Bringing things in line with how people like to communicate and access what events are on, accessing things live and really putting that sort of marketing out there. It is going quite well with the uptake from clubs, and certainly Tasracing is committed to providing continuing assistance.

Mr FARRELL - Strangely enough, I was on page 4 and my question was about marketing. I notice in 2017, it was \$905 000 and 2018, it is \$1.6 million. Is there was a breakdown of the extra spending incurred and what were the results of the \$700 000 more in the marketing budget?

Ms ARCHER - As for a budgetary issue, I can give a general overview. Marketing activities are obviously undertaken to promote Tasmanian racing and to improve commercial performance in-line with the company's legislative responsibilities. The 2018 financial year sales and marketing spend was \$1.6 million, up 80 per cent on the 2017 financial year, and up \$728 827 from \$905 173 that equates to.

The increase is in line with two of Tasracing's key strategies. First, to grow marketing support to racing clubs in line with growth in revenue earned through wagering. Second, continue to target national wagering customers with market-leading digital products. This expenditure contributed to growth in wagering turnover of 5 per cent from \$512 million in the 2017 financial year to \$576 million in the 2018 financial year. I am advised that Tasracing doesn't normally allocate individual line items by code, but has normally allocated tri-code items to codes for analytical purposes.

As to any further detail on that, to our CFO?

CHAIR - Is the member satisfied with the response?

Mr FARRELL - Yes, that is a great response, but if there were a little bit more detail around it -

Ms ARCHER - I can give you a code breakup. Following on from what I was saying about analytical purposes, this reveals that spending was directed on a code basis as follows: thoroughbreds, \$894 666; harness racing, \$369 667; and greyhound racing, \$369 667.

The increased spending was the result of a revised budget midway through the financial year made possible by above-budget wagering revenue. The revised budget was allocated to other activities as well, each in line with Tasracing's corporate plan. I can run through all those activities; there is quite a list there. It went to -

- a new VIP Hobart Cup Eve cocktail party at Wrest Point; assisting the Tasracing Club to address declining Hobart Cup Day attendances by jointly funding a high-profile live musical act on Hobart Cup Day
- assisting the Tasracing Club and Tasmanian Turf Club to enhance their Cup Day offering through funding the hire of large outdoor screens - the large outdoor screens were used to broadcast Tasracing's live hosts on cup days to give race day customers constant entertainment throughout the day
- hosting the Australian female jockey championships on a newly created additional race meeting to the 2018 financial year summer thoroughbred carnival
- increased spending on promotion of the 2018 summer thoroughbred carnival to address declining overall attendance figures
- funding contribution to the TRC and TTC owner hospitality on major race days

- increasing the quality of entertainment and food and beverage provided in Tasracing's Young Racing Tasmania marquee on Devonport, Hobart and Launceston cup days - this supports a 2 per cent race field fee premium price, serves to satisfy sponsor expectations and presents the state's best opportunity each year to promote racing to the general public -

CHAIR - Anything for greyhound and harness, minister? They seem to be missing off your list.

Ms ARCHER - No, that was just a summary. There is -

CHAIR - Happy for you to table that.

Ms ARCHER - Do we have any further details on greyhounds? If not, we can provide some further info.

Ms FULLER - Happy to provide further info.

CHAIR - We will take that on notice.

Ms ARCHER - Harness and greyhound?

Ms SIEJKA - My question is on something that was written in the Chairman's foreword. There was a statement in there that said the loss was the direct result of an increased workers compensation liability created by circumstances beyond the company's control. It wouldn't have occurred but for the separation of the Office of Racing Integrity and Tasracing. If it hadn't been for that, they would have been in a position to provide further moneys for capital works and stakes.

Given that statement, do you still support the separation of the two entities and is that being looked at? Are any discussions being held on that? The statement just jumped at me.

Ms ARCHER - The Office of Racing Integrity is doing a fabulous job in what they do in relation to welfare and drug testing, and their remit. It is always good to separate the functions between an integrity body and the other functions of Tasracing.

Having Dr Fuller as the acting CEO at the moment is good as she has also worked in the Office of Racing Integrity so she has very good experience and knowledge in that area. It's good to have an interim CEO who has an understanding of those separate roles and functions. There is certainly no intent to merge them. It was a deliberate thing to separate them. Perhaps, Dr Fuller, because you have knowledge of that area, you might like to say something further.

Dr FULLER - I will say something on the comment that is in the chairman's report. I do not want to comment on the personal aspects of the situation he refers to directly that resulted in workers compensation. I think it is fair to say that with workers compensation, Tasracing can wear the liability and the risk of the licensing without significant input in the process.

From a point of view of having worked within both integrity and racing authorities, I understand they are separate functions. There are always different models around the state and internationally on how racing authorities and integrity bodies are either merged or separated. There is a lot of deliberation and discussion

over exactly what is the best model, but, as the minister said, at the moment there is no intention to merge either body.

Ms SIEJKA - It sounds like a discussion that comes up regularly though.

Dr FULLER - Yes.

CHAIR - Thank you. I have some questions about race fields. On page 84 of the statement of corporate intent, I had some feedback from harness racing. It has been suggested that the number of races does not meet the needs of owners and trainers and their horses. Recently, a trainer who went to the races had 34 horses that could not get a run. In harness racing, the number of races was 687 in 2017-18, and the actual number was 694. There were only seven extra races put on for harness racing, yet the increase in starters was 476. Is harness racing being catered for? They have increased starter numbers and yet they are not able to put their horses into the race field. I cannot tell you where I got that information because they are too frightened to have it on the record. Are we catering for the growth of the industry, particularly harness racing?

Ms ARCHER - The three fewer meetings conducted in the 2017-18 year were due to sustainability measures. In 2017-18, only two meetings were not broadcast on Sky - St Marys on 1 January and Carrick on 17 February.

In 2017-18 there was a 5 per cent decrease in the number of races and a 4.7 per cent increase in the number of starters. They are the statistics I have. In 2017-18, there was a 9.8 per cent increase in average field sizes compared to 2015-16. It went from 9.2 to 10.2 per cent.

CHAIR - Is my information correct? Are there horses that are not able to get a run?

Dr FULLER - These sorts of numbers need to be provided with accuracy, so we would like to take on notice the actual numbers of ballots that occur. I note that the Office of Racing Integrity draws up the harness field. Tasracing is responsible for the programming, but the accuracy of the fields being put together and then the horses that are billeted per number concerns me.

We recognise that one way to grow the harness industry and to grow wagering is to have good field sizes which has shown with the growth. The fact they have an increased number of starters in the races held is actually a bonus. It is a beneficial thing for the industry.

With the concerns of the industry being raised around programming, we are putting in place a programming subcommittee. Once the programs have been formulated we will be consulting with the main clubs and the stakeholder groups to get input and to look at what sort of harness populations we have and how we can maximise the number of people getting a run for their horses.

CHAIR - My information is correct - there are plenty of horses missing out on a race?

Dr FULLER - I would like to say using the word 'plenty', I would like accurate figures before I do that.

CHAIR - There are a significant number of horses not getting a race?

Dr FULLER - That could be up for debate, but I would like the accurate numbers, before I set myself to that.

CHAIR - You will come back to us with that?

Dr FULLER - Yes.

CHAIR - It was suggested that in the good old days, a particular person within the organisation always managed to accommodate the horses and that does not happen any longer.

Dr FULLER - Commenting further on the previous employees of Tasracing that have retired, I think the good old days were reference rather than fact, and I always like to base my comments around whether we are meeting the needs of the industry now on actual factual numbers rather than the loss of one person.

CHAIR - In recent years there has not always been a strong communication between Tasracing and stakeholders as in the other codes. Where do you see that relationship at this time? Would you like to share this with the committee? I am not sure whether the minister, the chair of the board or the acting CEO can answer it.

Ms ARCHER - I accept certainly that in the past there were some difficulties with the relationship. As I indicated, in the last four-and-a-half years, significant things have been done and some difficult things have been done not only to reset how things are done but reset those relationships.

I accept it is difficult. As with anything, they are three different and quite distinct codes, and it is up to Tasracing to try to manage and please everyone's interests, which is very difficult at times.

CHAIR - That is communication. You will not always get what you want, but it is the communication channels that have been lacking.

Ms ARCHER - Mr Phair is a very newly appointed chair, hence I have not thrown him in the deep end too much today until he finds his feet, but I am sure his aspirations into the future include ensuring there is a culture of listening and communicating.

As to that, I know our interim CEO would also like to address that.

Dr FULLER - I would like to add further to what the minister has already said. Tasracing engages with full and constructive consultation with stakeholders on all issues. The current industry lines of communication we have open on a constant basis are direct correspondence through calls and emails directly to Tasracing staff. We provide a contact list based on who is the most sensible to contact for your particular concern.

We still maintain the quarterly stakeholder meetings for all three codes in which agenda items are brought from industry, all the stakeholders and Tasracing for open discussion. We also communicate through the industry bodies of the Owners and Trainers Associations and suchlike.

Tasracing has also recently put in place a complaints policy and procedures to allow people to know where they can forward their complaints to and how we can deal with them effectively and in an efficient time frame.

CHAIR - We can expect some improvement, I believe.

Mr DEAN - This is a question coming from a major stakeholder within the industry on exactly this point. I will read the question exactly as it was given to me -
TBC

Industry participants ring Tasracing with questions but nobody rings them back. What steps are you taking to improve your public identity with the industry?

Ms ARCHER - That has largely been addressed in the last answer, but as to if people are not being responded to, I am sure it can be taken on notice and improved in future.

Dr FULLER - I certainly feel we should have very open communication with the industry at all times. I do instruct all the staff at Tasracing that they should respond in an efficient time frame to calls and also, if it is not responding and if it is actually more suitable for it to come somewhere else, to come somewhere else. Certainly my mobile number is freely held within industry and I always answer or return all of my calls and emails.

Mr DEAN - Thank you for that because I will tell the industry now when it happens to ring me to get straight on to your mobile number.

Ms ARMITAGE - Minister, just checking with regard to superannuation, I am assuming the defined benefits plan on the bottom of page 52 is no longer? It is just previous provisions?

Ms ARCHER - That sounds like something for the CFO, doesn't it?

Ms ARMITAGE - I was certainly hoping it was not continuing. I did not think so, but I thought it was worth asking.

Ms ARCHER - It might be one of those ongoing liability things.

Mr HEALD - Yes, it is.

Ms ARMITAGE - I noticed that the risk of pensioner mortality will be lower than expected resulting in pensions being paid for longer. Obviously, we are living longer.

Mr HEALD - What a wonderful risk.

Ms ARCHER - Those involved would be very pleased to hear that they are going to live longer.

Mr HEALD - Entry to the plan is obviously closed and has been for quite a while, so these are tail-off endings that are still on our books and liabilities that we still have.

Ms ARCHER - That you have to plan for still.

Mr HEALD - We still have the liabilities on our books. The movement in the assets is actually recognised in the below-the-line comprehensive changes in other comprehensive income. We have actually been making money off it in recent years [inaudible] in improved assets, but it is still there and we think some of those will still be there for quite a while yet, which is lovely.

Ms ARMITAGE - At least that is still there for the people, so that is good.

One last question - I note when you gave your overview at the beginning, you mentioned StrathAyr had the tender for Elwick. Did you give the tender amount, or are you able to give the tender amount for the work?

Ms ARCHER - The actual tender - and I know you have accounted for \$12.5 million, but was the tender \$11 million? Am I correct?

Mr HEALD - Yes.

Ms ARMITAGE - So it has come in under? Any idea at this stage when it is likely? Was it going to be after the Hobart Cup?

Ms ARCHER - Yes, after the Hobart Cup is run in 2019, the work will be done and the track will be reopened in time for the 2020 Hobart Cup.

Ms ARMITAGE - Do we know how long the work will take?

Ms ARCHER - That is 12 months.

Ms ARMITAGE - It will take the full 12 months?

Ms ARCHER - Yes. We are lucky in that we have other racing facilities around the state. It can be inconvenient, and no doubt will be, but if anyone has attended a race day when it is wet or has been wet or the track is not in great condition, those people will realise that it can only be a good thing, and also for the welfare of the horses racing.

Ms ARMITAGE - I am sure Launceston will be happy to accommodate them.

Ms ARCHER - I was sure you would say that as the member for Launceston.

Ms ARCHER - It is ensuring safety as well.

Mr DEAN - So that would just be shared between Launceston and Devonport, would it?

Ms ARCHER - As to the race meets?

Dr FULLER - Yes, I can confirm. At the moment the programming is within Tasracing, then to the board and then goes out for consultation with industry as well. The race meetings that are usually held by the Tasmanian Racing Club will be reallocated to the Launceston and Spreyton sites.

Mr ARMSTRONG - On 30 June this year in the *Mercury* it was reported that there is a real shortage of jockeys in Tasmania. The article says -
[TBC]

These are rules that need to be relaxed to allow more foreign apprentice jockeys to ride here and women should be encouraged to become jockeys.

Have things improved since June or has anything been achieved as far as relaxing visa rules? Is there any work being done on that?

Ms ARCHER - There is always work being done to try to attract more people.

Dr FULLER - We definitely still have a shortage of jockeys and a shortage of riders coming into the industry as well. We are certainly addressing the issue. We are looking at international apprentices. We have apprentices coming from Hong Kong and also Singapore. It is having some relationships with international jurisdictions to get riders in quickly.

We always try to encourage jockeys from interstate to ride as well. At the grassroots level, where we really want to increase our jockey numbers and apprentices from, is actually Tasmanian grown. We are looking into how we can encourage people into the industry. This maybe initially through encouraging them in as trackwork riders. In recent months, while I have been acting, we are looking along the lines of how we can start some trackwork rider programs and encourage more young people into the industry as a career.

Mr ARMSTRONG - Is there a shortage of senior jockeys or only apprentices?

Dr FULLER - Yes, there is a shortage of both, unfortunately, and especially when we have a set number. If we have a number of suspensions or injuries, we can very quickly fluctuate in the number of jockeys available to ride.

Mr ARMSTRONG - Has it ever happened you had a full field and not enough jockeys?

Dr FULLER - Yes, and that happened recently. We do not always have a full set of Tasmania jockeys or jockeys based in Tasmania to ride, if we had a full field. That, then relies on the trainers engaging an interstate jockey to come down. Ideally, if we can improve the numbers of riders we have based here in Tasmania, it will help to alleviate the issue into the future. We always rely on interstate jockeys coming in particularly for our major cups and big races.

Ms ARMITAGE - Regarding the number of female to male jockeys?

Ms ARCHER - Do we have the statistic? I cannot remember sighting them.

Ms ARMITAGE - I noticed that one of the articles in the *Mercury* says female jockeys have lighter frames and kinder natures.

Ms ARCHER - No comment.

Ms ARMITAGE - It was a *Mercury* comment. I wonder whether it is 50/50 or one in four.

Ms ARCHER - It has increased dramatically to what it was traditionally but I am not sure if we are at 50/50. For an accurate figure we need to take that on notice. Through attending race meetings, I have noticed there are quite a few female jockeys.

Certainly, when I was growing up, you would not see any and you are now seeing some very good ones. I am not sure of the statistics and will take that on notice.

Ms ARMITAGE - The article states Australians are getting bigger and the jockeys have to diet continually to get their weight down, which is not such an issue for women.

Mr DEAN - Again this question is coming from an important person within the industry.

CHAIR - He has some very good contacts, Mr Dean.

Mr DEAN - I will read it directly again -

[TBC]

Tasracing pushed for the introduction of trotting races into the state. This has been to the detriment of the existing pacing, breeding and racing industry. What has been the total financial outlay for this push and what has been the betting turnover on these races, the return to the industry and how many pacing races have been lost due to the introduction of these trotting races? Would you agree that it was a mistake to introduce a trotting program or trotting races?

CHAIR - Trotting versus the pacers.

Ms ARCHER - As to the financial aspect, I will pass this.

Mr HEALD - I do not think we have any answers on this at this stage, especially on turnover. I will say the trotting races, in particular, are highly prized by Sky Channel and have priority in publications, both domestically and internationally. Trotting racing is an international product, much more so than pacing. A lot of the European is solely on trotting. I will probably switch over to Alicia to cover the rest, but it is certainly receiving priority. We are obviously in very early stages. We have only had our first races during last year, so there is a lot more to go, before we can have any sort of real program and benefits coming from this. At this stage, we are looking at one race every second meeting has been allocated for trotting racing. It is a minimal entry level at the moment, but it is a start.

Ms ARCHER - I have here trotting races were reintroduced on 1 July this year and are now scheduled three to four times a month in Tasmania, with 13 trotting races conducted so far. Tasracing is committed to continue the programming of trotting races until at least July next year, with a review of the initiative to be undertaken in April 2019.

Mr DEAN - There were a number of questions there, though. You will take them on notice, will you?

Ms ARCHER - Yes, certainly. If you feed those in, we will attempt to have those figures.

CHAIR - The dollar figure being spent on promoting trotting is probably one we can answer, even if we cannot quantify the value as yet. That is the important question.

Mr DEAN - It is.

Dr FULLER - I wanted to add something on the strategy around trotting. It is a strategy that was implemented before my time in Tasracing and before my time in this role. It is important to note that the harness industry as a whole is under threat nationally. Diversification is important to consider. Although these things take time to bring into the sport, there has been some uptake and support within trotting. It also has an ability to bring new sponsors that only sponsor trotting races from other states to Tasmania.

It has the potential to open up another revenue stream for the harness industry that they are not utilising if they continue to concentrate purely on pacing.

A quick comment on animal welfare and amount of gear harness horses wear. Trotting horses wear considerably less. In the future, when we are looking at the potential of public perception, trotting horses may be considered more welfare-friendly.

CHAIR - Is that in regard to the gear and the gait? They have a different gait, don't they?

Dr FULLER - The gaits are both natural.

Mr DEAN - Trotter go like this and pacers go like that.

CHAIR - Is that a welfare issue?

Dr FULLER - No, the gaits are natural to those breeds of horse and done regularly. It is important to note that having another gait within the harness industry is potentially a very good thing.

CHAIR - Some of them do not pace as well as they should but they might trot better.

Dr FULLER - Yes.

CHAIR - Are there any celebrations to celebrate the tenth year of Tasracing? Did you forget it was coming up to 10 years?

Mr PHAIR - I was aware it was 10 years but there is no plan at the moment, having been in the chair for 13 days, to plan parties, as yet.

CHAIR - Can I suggest there might be a good opportunity at either St Marys on harness day or the North East Pacing Club to celebrate the tenth anniversary? Most of those are participants and would have been around. It would be fantastic for the Chair of Tasracing to be at one of those small harness racing days.

Ms ARCHER - I would love to get to some, my schedule permitting. If people let me know early enough, I will make every effort.

CHAIR - New Year's Day for St Marys and I think 19 January - I will confirm that with the minister at a later time.

Ms ARCHER - I am sure I will get email, thank you.

Ms SIEJKA - Mine might see a bit left-field, but it is about reconciliation access plans - RAPs.

I have noticed that in other jurisdictions there is a move towards government department and business enterprises developing reconciliation access plans. They provide a greater commitment for Aboriginal and Torres Strait Islander employment, land use and so on. Given there are a number of properties you manage and considering women's employment and diversity, this is another area of employment to consider.

I wondered whether a RAP was something that had crossed the board's path, whether it had been considered or something it would be interested in considering.

Ms ARCHER - When we think of diversity we automatically go to the male:female gender split. I am not sure if Dr Fuller has anything else to add. I know they have been working diversification of the workforce, specifically to ensuring we get a 50:50 male:female split. The board at the moment is 3:4, with four males. The board is more reflective.

Ms SIEJKA - We recognising the cultural diversity bringing people over. and I guess it is another element to consider.

Ms ARCHER - Definitely worth considering and building into policies that exist at Tasracing. So, I am sure they will take that on notice. Unless anything you would like to add that has already been done in this regard?

CHAIR - Thank you.

Mr DEAN - I had a couple of questions. What were the number of resignations from Tasracing in the last 12 months?

Mr HEALD - We have already mentioned three, which are probably the [inaudible]

Mr DEAN - Given the number of resignations and the reasons for those?

Ms ARCHER - Do you mean across the board at all levels, Mr Dean?

Mr DEAN - Yes, right across the board at all levels. Right across Tasracing, and the reasons for the resignations. The other one was stress leave: did any involve taking stress leave?

The other one is a separate question altogether. The last time we had Tasracing, we were told employment in the industry was dropping. My information now suggests that has probably turned and it might be increasing. Do we have employment figures now? Racing is a very important industry to Tasmania, and a number of people engage in it. Can we have an idea of where those numbers are now going?

Ms ARCHER - As to whether they are improving, I do not have those figures. I will pass to Dr Fuller.

CHAIR - We used to always be able to receive a figure of the quantum, or the number of direct jobs and indirect jobs. But I am not sure whether that is still available.

Ms ARCHER - I have the figure of around the state. Approximately 5500 are involved in the racing industry, out of which 1000 are full-time equivalents. Does this assist?

CHAIR - That very much assists.

Ms ARCHER - I can give gender splits in each of the different sections and levels, but as to comparative figures from previous years, I do not have those with me. I think we had better take that question on notice so we can have the figures for you.

Mr DEAN - The other one on notice about stress leave is on notice, as is the question on gaining licences. I will read through the whole question again, but it comes from people involved in the industry -

[TBC]

It is difficult for people to have licences in the racing industry. Some trainers are waiting up to six weeks to get people into the industry. The day they walk into the job, why can they not start work. Too much red tape. That is track work, medicals, police checks and so on. People are leaving before they start work, due to the extended timeframe and delay in getting a licence.

I am being told that is causing people not to want to pursue racing careers and get the licences to move into the industry. Is that red tape? What is going on there?

Ms ARCHER - I suppose it is one of those things where we have to have balance. We do not want to have too much red tape, but at the same time when you have an industry like this, where you have animal welfare concerns, safety concerns for jockeys and anyone using the track, we have to take a balanced approach. That is the reason for licences in the first place.

As to the more specifics -

Dr FULLER - The actual processing of licences and the administrative side sits with the Office of Racing Integrity, so I cannot comment from a Tasracing point of view on the time it takes for the licences to be issued. That would be a question for the Office of Racing Integrity.

Mr DEAN - Wouldn't you talk to racing integrity, if you thought it was deterring people coming in to the industry?

Dr FULLER - Under the Act it sits with their jurisdiction that the Director of Racing consents to licences and is in charge of the processing of the licences. So, I feel it would be inappropriate for Tasracing.

Mr DEAN - Right, so you would go to your minister, and the minister would take it up?

Dr FULLER - Yes, exactly. From the licensing requirement point of view, it sits with Tasracing. Again, we take into consideration all the factors the minister mentioned, and also do a review yearly to look at those licence requirements and how relevant they are. Also, how they relate to other states also licensing similar jockeys and trainers.

Ms ARCHER - I am sure we can advise of the issue been raised here today, to the Office of Racing Integrity.

CHAIR - Last question, thank you.

Ms ARMITAGE - My question is regarding marketing. I note on page 42 of the annual report, \$1 335 635. Things may be in different spots, I am assuming, because the comparison with last year was \$560 000, so there is a huge difference. Does it include any overseas trips? Has any of the board or any of the staff - in the past they taken overseas trips, gone to France and Mumbai and -

CHAIR - I feel sure that new Chair would not have had time in 13 days to take any overseas trips.

Mr PHAIR - St Marys is as far as I go.

Ms ARMITAGE - But there have been overseas trips in the past. I am wondering, have there been overseas trips in the past financial year? Or is it simply a change in the way it is being reported? I know you are up with your marketing, but \$560 000 to \$1.335 million is a big jump. If it is factual, where are the benefits?

Mr HEALD - In 2017-18, we took advantage of the stronger-than-budgeted race field fee returns to invest in a number of tactical on-course marketing initiatives.

CHAIR - They were the list the minister read out?

Mr HEALD - We spoke about these before. They were a one-off event. We are doing quite well.

Ms ARMITAGE - And the measurable outcomes?

Mr HEALD - Yes, we think so. We mentioned before that we had the sellout of the young racing marquees at the three cups around the state. That is the first time we have seen that. I think we definitely saw an increase in attendance at the Hobart Cup, and I thought we saw a big improvement in the quality of the presentations.

Ms ARMITAGE - A financial outcome, though, rather than just a few extra people there that might not balance with the money. We do not want to pay people to go. It is all very well to say there were more people there, but we are not paying them to go if it is going to be an extra \$200 for every person who is there to make it look good.

Ms ARCHER - It is communicating with them on the level that people are actually engaged in and social media is a -

Ms ARMITAGE - It is, but \$1.33 million is a lot of money.

Ms ARCHER - It is, but it is because of a broader -

Ms ARMITAGE - When you are funded by the Government.

Ms ARCHER - It is because a broad approach has been taken to the issue of marketing. You have to have a multi-pronged approach rather than a single approach, but I will throw back to Mr Heald to answer.

Mr HEALD - We are dealing with this declining attendance at these major cups, which is a major issue for the clubs and for the industry.

Ms ARMITAGE - I understand that, but an extra \$800 000?

Mr HEALD - It was a one-off year. We had some money in the bank to do that and we had good returns from race field fees so we took the opportunity to take that initiative. We certainly will not be seeing that again this year - I will let you know that.

Ms ARMITAGE - Any overseas trips?

Mr HEALD - We saw a significant increase in track visitor numbers and it generated significant media coverage in racing and mainstream media, particularly around the work we did with the female jockeys and the female drivers championships we held.

Ms ARMITAGE - Did we get more than \$800 000-worth back?

Mr HEALD - No, we certainly would not pretend that. However, we think we have made an investment for the longer term benefit of the carnivals here.

Mr DEAN - The summer carnival would have eaten a lot of that up, wouldn't it?

Mr HEALD - We will see how we go.

Ms ARMITAGE - This is extra money, not the money that we have had every year?

Mr HEALD - Yes, this was a one-off for the one year to promote and try to turn around those declines. We saw the declines turned around for that year. Whether we can actually build on that, and that is what we are building and working now with the clubs to try to build on that, I suppose a breaker -

Ms ARCHER - It is getting clubs to participate.

Ms ARMITAGE - And were there any overseas trips?

Mr HEALD - There were. We spent \$36 000 on overseas trips last year.

Ms ARMITAGE - Where were they to?

Mr HEALD - On page 31, we have the details there. Health and safety, welfare of jockeys in Dubai; international racing in Hong Kong, to discuss ongoing sharing resources and -

Ms ARMITAGE - You were right, Ivan.

Mr DEAN - There you go.

CHAIR - Thank you, now we know Mr Dean was right. The perennial question for Tasracing is: what happens when there is no more \$31 million from the Government? This is probably something the board will address their minds to because 2029 is not that far away. I know that is probably unfair to have to ask Gene that question today -

Ms ARCHER - It is board strategy question. I think you are quite right; I do not think Mr Phair is able to answer that specifically himself at this time, but I am sure the board has a strategy to move forward. I am not sure if anyone else at the table can enlighten on such a strategy.

Dr FULLER - I am not able to enlighten the committee on the strategy at the moment, having only been acting CEO for six months, but I know the board was waiting, and will be now that Gene Phair has been appointed, to do some serious strategy days. I know that the issue of the funding deed ending in 2029 is at the forefront of both Tasracing's mind and the racing industry in Tasmania as a whole.

Ms ARCHER - It is important to note that a corporate plan is taking the board through to 2020. I am sure that, prior to that, the planning for the next corporate plan will be directly focused at that issue.

Again, it is a board issue that I can't really answer. I think people will understand that with only 13 days in the job, Mr Phair can't answer it directly, but I highlight that there is a 2020 corporate plan and I am sure it will be built into the next one.

CHAIR - Thank you, minister.

Ms ARMITAGE - Chair, with regard to marketing, how many people are employed in the marketing area now? I think Mr Dean thought it was three previously.

Mr DEAN - It was three senior people at one stage. That is going back a few years.

CHAIR - Members do have a number of other questions. Minister, is it possible that we put a couple of those into the system for those answers to be provided?

Ms ARCHER - I am sure if they can be provided, they will be provided. As long as it is not an inordinate lengthy list.

CHAIR - We will make sure they are to the point. In regard to the comment made around the 2020 corporate plan, all being well in two years' time, this committee will be back here because the other House has the opportunity in 2019, so we will look forward to having those more in-depth discussions. I acknowledge that 13 days in the job would not have given you enough time, Mr Phair, to be able to answer some of our questions. We acknowledge that. We are also very pleased with the responses we received to the questions the committee asked. Some of those questions and answers are still to come.

Ms ARCHER - In the marketing and digital area, eight people are employed.

CHAIR - So it is an increase of five from the previous number?

Dr FULLER - Sorry, we would have to take on notice the number previously because we wouldn't be able to be accurate at this stage.

Ms ARCHER - A significant number are involved in race day operations being at 26.

CHAIR - Thank you. On behalf of Committee B of the Legislative Council, we sincerely thank you for your time today. We know that everyone has a very busy schedule, and we appreciate the opportunity to provide this scrutiny. We wish the board of Tasracing all the best in the future and you, Alicia, as well, wherever you end up in Tasracing in the future. We will see you back here in a couple of years.

Ms ARCHER - Thank you and thank you all.

CHAIR - Minister, it would be lovely to see you in two years sitting there as Minister for Racing.

Ms ARCHER - I am planning on going nowhere.

Mr DEAN - We will not see any more changes in ministers for a while?

Ms ARCHER - I am planning on going nowhere. I think the racing industry knows I have an interest in racing. I have been attending many races for years.

CHAIR - Except for north-east pacing or St Marys, which is at Scottsdale.

Ms ARCHER - I will get there. I will get there!

CHAIR - Thank you very much, Deb, for your efforts today. We very much appreciate that and I would like to put on the record my thanks to all committee members and particularly our secretary, Natasha Exel, who does an amazing job.

The committee adjourned at 3.39 p.m.