

Tuesday 23 June 2009 - Estimates Committee A (Sturges) - Part 2

[1.30 p m]

CHAIR - We are on the overview still at this stage. Mr Martin, you can recall you question that you had framed before lunch.

Mr MARTIN - We were talking about the application for funding. I asked about the four projects that did not get up, that were not short-listed. You mentioned that they would be going back and they are still in the mix.

Mr STURGES - They are still in the mix. They have not been taken off the agenda and we will continue to progress them. Whilst we understand the IA audit process was a very important process I want to continue to stress that there are other funding opportunities for the State Government which we have also pursued.

Mr MARTIN - Those four projects did not tick off enough of the boxes of the criteria that you went through. Therefore, unless you can add to them, they are probably not likely to qualify. Are there not other projects you have identified that tick more of the boxes and are likely to get Federal funding?

Mr McILFATRICK - With the Federal funding, Infrastructure Australia was focusing on Bell Bay for the next six months but the other road projects which were associated with freight movement in the State, we will be talking to the Federal Government over their budget cycles to include them in the roads program. We have had a sign-off on the five-year roads programs based on our negotiations and the memorandum of understanding with the Federal Government for the next five years but those roads programs are rolling programs so we would be looking to include these critical projects within our discussion with the Federal Government on the national highway initiatives.

Mr MARTIN - Minister, you said that there are sound reasons why you did not put in for rail funding. Can you outline what those sound reasons were?

Mr STURGES - I am a bit like a cracked record, but over 1 000 pages of submissions and 70 000 spreadsheets, the rail priority projects for Tasmania were not carried forward into Tasmania's subsequent submissions. Substantial Australian Government funding had already been committed for rail projects under what I have gone through before and I am not going to read what is in the Budget. A key focus of the cost benefit analysis was aimed at improving Australia's export performance. I would argue that our submission did meet that.

Another key focus was projects of national significance, projects that make a clear and positive contribution to Australia's policy goals and on that basis, and I am only assuming this, but we have had one debrief meeting with IA. The secretary has further meetings lined up in the very near future.

Mr MARTIN - Why would some of the rail projects not meet those criteria? Why did you decided not to pursue funding?

Mr STURGES - Because IA did not seek further work on it. We put forward a very detailed -

Mr MARTIN - For rail.

Mr STURGES - That is correct. They did not seek funding -

Mr MARTIN - Do you know why?

Ms McINTYRE - It is about national productivity versus Tasmanian freight transport logistics and in terms of the national productivity we had other projects that met more of the criteria than rail, given the volume of freight that it was carrying.

Mr MARTIN - Given some of the stuff that is carried on our rail, why would they not meet national productivity?

Mr STURGES - IA did the audit. Federal Cabinet allocated the funding. IA saw that there was probably more merit for Tasmania and we have to be guided by the coordinator of Infrastructure Australia who came to Tasmania on at least three occasions and I met with him on one of those occasions. We were being encouraged by IA in relation to what we took forward because the submissions were comprehensive. There was a requirement that detailed analysis and detailed work be undertaken around them so we were being guided by IA and -

Mr MARTIN - So they basically discouraged you from putting forward the rail.

Mr STURGES - They did not request any further information on rail so it would have been, quite frankly -

Mr McILFATRICK - In another aspect we already had significant investment in rail intermodal rather than have transport intermodal work happening in the south with the Brighton hub and the Brighton bypass.

Mr MARTIN - But that would not stop you from putting forward -

Mr McILFATRICK - In the north Bell Bay become a couplet of that so if we could get the work done at Bell Bay it would increase our export potential capability out of the Bell Bay port.

Mr MARTIN - There was a huge pool of money.

Mr McILFATRICK - There was a huge pool of money to be divided up over 1 000 submissions.

Mr STURGES - This is really an issue for the Federal Government but do not lose sight of the fact - and again I do not know whether this was in the thinking of IA, whether it was in the thinking of Federal Cabinet - we have received substantial \$500 million funding to be the first State for broadband network rollout in this State. That was also a key component of the Infrastructure Australia funding round. It just did not focus on transport so whether or not it was in the mind of IA and/or Cabinet when they finally decided on the allocation of funding that we were going to be the first State to get broadband network rollout, that we were going to get \$500 million, that they have a \$800 million package of commitments for road and rail -

Mr MARTIN - In other words, they thought we had a bigger slice of the cake.

Mr STURGES - With respect, I do not know, but I think it is very important that I stress that we have had an initial debrief with IA, that there are further meetings planned and that we are not walking away from making further submission and making further claims for Federal funding through whatever sources we can get that money.

Chair, can I make a very quick announcement which I think will be well received by all around this table. While we were at lunch the Rail Regulator signed off on the recommencement of service north-south, so trains are able to start from this afternoon running north-south. I understand that the first paper train may be scheduled for later on this evening.

Mr WILKINSON - Is that paper trail or paper train?

Laughter.

Mr HARRISS - Minister, we were discussing just before lunch the matters of risk management. We went to the Auditor-General's most recent report. I cast my mind back to last year at this same hearing when we debated with you strategic plans for all of the transport options in Tasmania and the possibility of rail not being part of the process. The Auditor-General specifically says, 'No formal risk assessment exercise was undertaken prior to the commencement of the deed and no risk management was undertaken once the deed was in operation'. Then he went on to explain what that was about. He said that some of the major risks that he would have expected to be formally recognised were: possible loss of significant freight contracts - fundamental; operator pulling out of the State - fundamental; derailments - fundamental. Then further in his report on page 29 where he was looking at the Hagley and Westbury bypass he said, 'In this case effective governance, documentation and risk management placed the State in the best possible position when the litigation occurred'. Doesn't that suggest that with that project the State was in the best possible position, with the rail we were not in the best possible position because of the Auditor-General's assessment that proper risk analysis processes were not undertaken? I know that you gave an overview at the start about your infrastructure strategy, I accept that embraces transport and all of that and you have stage 1 completed, stage 2 work in progress, but how can we be assured that this State does have a thorough and robust transport strategy? The AG says no formal risk assessment exercise was undertaken.

Mr STURGES - I am going to defer to the secretary in relation to the Auditor-General's report in a minute but I say again that we believe that the Auditor-General has not properly interpreted the intent of the rail management maintenance deed. You are quite right about when I spoke about stage 1 and stage 2 of the broad 10-year strategy. But the honourable member has not mentioned also that I also referred to the numerous policies, strategies and planning processes that we have: the Southern Tasmanian Network Investment Program; the Tasmanian State Road Hierarchy; the Southern Integrated Transport Plan; the strategic asset management plan for the State road network; our road safety strategy; the northern Tasmania Integrated Transport Plan. And on it goes. So as I tried to explain this morning, the 10-year strategy is a broad vision which encapsulates transport, water, energy, communications for the State but we certainly do have very robust and very strong planning processes in place now that do take into account risk management assessment.

Mr HARRISS - Before you defer, that clearly indicates that you did not produce this robust strategy until requested by the Premier in the parliamentary sittings in Burnie. That confirms what you told the committee last year, that you did not have a strategy.

Mr STURGES - No, no, no. With respect, you are verballing me. What I got up and said is that we are going to produce, for the first time in this State's history, a 10-year strategic vision, a bold 10-year strategic vision that takes us out of the four-, or as the case may be, six-year electoral cycles of the upper House,. It takes us out of those electoral cycles. But that is and will be underpinned by the planning processes, by the policies and by the strategic processes that we have to go on with out transport plans and other necessary infrastructure development within the State.

[1.45 p.m.]

That is the very point that I have been trying to make. Some people, being mischievous, particularly the opposition spokesperson from the Liberals who fails to understand much at all about infrastructure, seem to think that we do not have a planning process. I take that as an affront. The State infrastructure planning system is comprehensive to say the least. The work that we have done with local government in relation to integrated transports plans is comprehensive, to say the least. Our road safety strategy is comprehensive, to say the least. We have been getting on, taking this State forward, in a strategic, balanced and measured way. This strategy that you are referring to now is a new, bold vision for Tasmania, and I will not go through it all again because I will get pulled up by the Chair, that really does set the future. It is a coordinated infrastructure planning process. It picks up effective governance and decision making around these big issues of communication, energy, water and transport. That will be underpinned by the planning processes that we have in place at the moment. If I can now defer to the Secretary who will talk about our risk management processes that we have -

Mr HARRISS - Through you, Mr Chairman - just before you do, you have gone down the path of this bold 10- year plan -

Mr STURGES - You don't support it?

Mr HARRISS - You do not need to verbal me.

Mr STURGES - I asked you a question.

Mr HARRISS - We ask the questions. I am about to ask you a question.

Mr MARTIN - Well, we have not seen it, have we?

Mr STURGES - I have spoken to it today and I have told you what it is about.

Mr HARRISS - Minister, have you previously admitted -

Mr MARTIN - No, but you have to see it before you can support it.

Mr STURGES - How can you see something that is not finished? What did I tell you this morning? I said we have finished stage 1, we have stage 2 to go.

Mr MARTIN - With due respect, that is ridiculous. How can you expect anyone else to support something that is not finished? We have not seen it.

CHAIR - Order, Mr Harriss has the call.

Mr HARRISS - Are you ready to listen now -

Mr STURGES - I am listening.

Mr HARRISS - so that we can be precise and measured?

Mr STURGES - I am listening but I am not going to be bullied by you.

Mr HARRISS - I would not expect you to.

Mr STURGES - I am entitled to respond, Paul.

Mr HARRISS - Have you previously admitted that there is no contingency plan in place for the scenario of PN withdrawing from the State?

Mr STURGES - No. To the best of my knowledge, no. You have obviously got some comments there that I have made but we have been working very hard behind the scenes in the knowledge that there was the potential. Having said that, under the deed of agreement there is a certain process that would need to unfold. The deed of agreement does not allow PN to just pack up overnight and walk away, but certainly through the department we have been working very hard. We have presented reports to the infrastructure subcommittee of Cabinet. I am not sure what you have there, you have things highlighted, but I am sure I have never said that we did not have a contingency. Certainly, given the relationship that we have had, particularly over the past 12 or so months with Asciano, we have been concerned that there could be a need to have a contingency to deal with an exit from the rail operations in this State.

Mr McILFATRICK - I will repeat that I have a great respect for Mike Blake and we do not often disagree. In this case Mike has undertaken to talk to me about how he came to the conclusion that the view we have of the rail management and maintenance deed and his view differ. Where we do not differ is in his subsequent recommendations that there are improvements that can be made to process, but where we actually differ is in what the structure of the deed is meant to achieve. That was a contract between two parties where the Government undertook to pass on maintenance responsibilities under a deed and Asciano and Pacific National Tasmania undertook to provide services under a deed, a 10-year contract, and under that contract there were mechanisms where the risk could be managed, where maintenance could be applied and up to \$4 million of that maintenance would be provided by government, and that has been happening. One of the risks was losing customers. That was provided under the deed. If the volumes fell, Pacific National could trigger an event which would enable the Government in some circumstances to take back the rolling stock and assets, but when you are negotiating - and I am going back to pre-dating me, but I think if I had been there it would have been the same - you enter in good faith, you have a 10-year agreement which is legally binding on both parties, and you look to how you might manage that. The Rail Management Unit within the department was set up to manage that interface, to manage the capital investments on the network, to manage the interface with Pacific National Tasmania. We have a separate Rail Regulator who regulates all rail operations in Tasmania, and I believe we have sufficient structures in place to manage a long-term contract between two parties who are wanting to maintain their obligations.

Where things change, and could we have envisaged, at the time that the deed was struck, that Asciano may want to withdraw from the State, it would be very difficult when you are developing a contract in good faith with two parties, to say that in two or three years they might change their

mind and want to be out of here but under that, if they do change their mind, be clear: They had to give us 60 working days' notice - working days, not business days - which gave us three months to implement a range of contingency plans.

Mr HARRISS - Given that explanation, can I ask, Minister, whether you have a handle on whether there has been a transfer of rail customers who have switched to road transport to avoid the ongoing uncertainty caused by the rail debacle, and what assessments have been made by the Government and how that fits within your strategic plan?

Mr STURGES - We have close contact with freight on-forwarders in this State. We have close involvement with the Freight Logistics Council through the State Infrastructure Planning System - and I say this with sincerity and would welcome the opportunity to offer the member a briefing on this, it is a very comprehensive system - and we can see what is moving where at what time, what sort of product is being moved around, so yes, we do have a handle on that. We have been watching this for some time. Naturally the temporary closure of the north-south line brought things to a head, but there has been an evolving process of transfer from rail to road, so we have been watching that. That is why we were able to predict, with some accuracy, that around 100 extra truck movements a day would occur on the Midland Highway.

Mr McILFATRICK - We understand where there is the strongest imperative to use rail and that would be on the short haul route between Railton and Devonport. It would be almost impossible to envisage that happening by any other means. It would involve about 250 truck movements a day. On the west coast there is a strong imperative to use rail, even though it may eventuate into 50 or 60 truck movements a day that is a doubling of the capacity on that route. Those customers are the most captive and if we take the north-south link, it is about the type of volumes that you are trying to move. Periodically we do a freight demand survey, which our customers in Tasmania, or our industry participants, actively participate in and give us not just their current usage of freight, but they give us their forward look. Coincidentally, not because we have engineered it that way, that freight demand survey is due to be done within the next few months, and it is done about every two to three years, and that feeds into our State Infrastructure Planning System. We will be getting an active view right at the same time that we are developing this transition, so I think we will get a good picture. On top of what we currently see in terms of people's choices, there is an issue of volume. We know that the paper industry is facing some challenges at the moment. We know the west coast mining companies are not producing as much as they could. We are probably at a low point in volumes, but what we have to look forward to is that over the next 10 to 15 years we will see a prospective doubling of the freight task in Tasmania and to imagine that doubling as a freight task without rail is another piece of the picture that we need to fit in the long-term thinking.

Mr STURGES - Through the planning and monitoring processes that we have, that was a significant driving force, as well as the other matters that I have mentioned this morning, for the Government to ensure that we were not going to contemplate Tasmania without freight rail. There is projection of significant growth in freight movements, west coast, north, south, in this State.

Mr HARRISS - Yes, and this committee accepts the Government's regular announcement that no rail is no option. How many rail customers switched to the other mode with the continuing uncertainty about PN's continuation in Tasmania and who might take up the rail operation?

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Mr STURGES - I cannot give you precise numbers. We have been monitoring the movement, over a period of time, of rail to road freight so we have a good handle on the tonnage, the type of freight, the time of day that freight is going up and down the highway which is also very important. The last part of the question was who is going to?

Mr HARRISS - No, that was it.

Mr McILFATRICK - We have information we could table as a follow-up in terms of where the freight movement is and what the trends have been. I would be loathe to talk about individual customers but we could give a clear picture on a graphical format about where freight was at the moment and where the volumes were and that would give you a clear understanding.

CHAIR - Future projections - you talked about a doubling - that is a big statement.

Mr McILFATRICK - We will give you the current picture and our view about where it is heading.

Mr STURGES - Whilst we can give you a response to a question on notice, to sit down in front of a monitor and to have a look at the State infrastructure planning system and look at the overlays that can go on that system, is well worth spending half an hour to three-quarters of an hour of your time.

Mr HARRISS - I think that would be worthwhile you pursuing, Minister, with the Leader's office for a briefing of the whole Legislative Council.

Mr STURGES - We will note that and attempt to fit in with the time frames of you guys.

Mr HARRISS - Finally with regard to the matters of the customers, given that it is likely the State will now be the rail operator -

Mr STURGES - That is correct.

Mr HARRISS - Very likely. Has the Government held any formal contract negotiations or informal discussions with major customers of rail to reassure them in the past and to assure them into the future as to the capacity of rail to deliver what they expect?

Mr STURGES - I want to check that I am not going to break any confidentiality.

Bear in mind that the time frame was condensed by some 12 months. The last couple of weeks we really have been flat out securing rail for the future. We have regularly announced that we do not see Tasmania without a freight rail network. Through the Tasmania Freight Logistics Council and through other processes, and directly, we will be working with freight rail customers to give them reassurance in relation to freight going forward.

I take the member for Elwick's point about the competition issues and I want to stress that we are not about trying to get at odds with the road transport industry in this State, so we need to be very balanced with our approaches.

CHAIR - Have you had any discussions with anybody in the private sector who might want to buy a stake in the Government's new rail operations or purchasers in full or part?

Mr STURGES - No formal discussions in recent times.

[2.00 p.m.]

CHAIR - Obviously you have had some informal discussions.

Mr STURGES - One gets around the traps in Tasmania, one meets people who have an interest in shipping and transport and trains and trucks but there have been no formal discussions. Again, I make the point: that may have eventuated with the 30 June 2010 time line. But, given the manner in which the time line was condensed, we have been concentrating pretty heavily on securing rail for the future. I am not going to rule out at a point in time in the future having those sorts of discussions.

CHAIR - We will move on to the output groups in a second.

Mr WILKINSON - Still on the overview, in relation to the Tarkine tourist drive. Has there been any economic modelling done on that? If so, what?

Mr STURGES - Just before Mr Todd, General Manager of Roads and Traffic responds, we have been given the role to manage the project to build the road. I am not trying to duck the question. We will talk to you about what we are doing as far as building the road, what we are doing as far as approvals processes go, what we are doing as far as Tasmanian devil mitigation works go - all of those things - but as far as economic modelling goes, the Department of Economic Development and Tourism really would perhaps be the best area to take that question to because we have now been given the job of managing the project.

Mr WILKINSON - What about in relation to the annual cost of maintaining the road? That will be yours I would imagine, or is that the Department of Economic Development?

Mr TODD - The road is actually comprised of a range of road owners from DIER who owns a small proportion, the council who owns some small proportion, to Forestry who owns a large proportion. That is something that we will work through but I anticipate that that ownership regime will remain and that those responsibilities will remain.

Mr WILKINSON - Some people argue - and you have no doubt read it in the different newspapers - that it is a lot of money for the road and therefore they say could the money be better spent elsewhere. What they look at is the cost of maintaining the road, the number of vehicles estimated to use the proposed road et cetera. They are the types of things I am looking for. If the Department of Economic Development is the best to ask we can go back to them in a couple of weeks' time, because we had them yesterday.

Mr STURGES - We can talk to you about constructing a fit-for-purpose road. We can talk to you about the fact that we are dealing predominantly with an existing road formation through the Tarkine. We have maps that we are happy to share with you and table if the committee wants that. Economic Development and Tourism really has done that modelling work, I understand. We have just been chartered with managing the project and delivering it. We believe that, quite frankly, a fit-for-purpose road can be delivered on budget.

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Mr McILFATRICK - I believe that an Economic Development report, particularly from a tourism perspective, is available and if it is we could certainly make it available through this process. That would stop you having to -

Mr WILKINSON - If that could be done that would be -

Mr McILFATRICK - Yes. I think Peter will have access to that.

Mr TODD - We will make that available to the committee.

Mr STURGES - Do you want that as a question on notice or we will just commit to -

Mr TODD - I would go for further information.

Mr STURGES - Okay, just further information.

Ms FORREST - Can I ask in relation to that: has an agreement been reached with Grange Resources in relation to the location of the road and their pipeline?

Mr TODD - I actually have a photograph of their pipeline and the road as it is. It is quite illustrative of the issue. At this stage we have not reached a formal agreement with them. But I want to say that, dealing with utilities such as Telstra, water supply, optical fibre - all of those issues are normal processes that we would run with any road project. We will work with any of these utility owners in terms of ensuring that their utilities are appropriately protected. From this project I do not see that as a major issue. We will certainly work with them to make sure that any risks are minimised and mitigated.

Ms FORREST - Where have those discussions at? I know it was snowing on that day. There has been considerable discussion to date on this matter. The proposed road, initially, was to go right along it, as this picture shows. There was some suggestion that it would cross the pipeline corridor in a couple of locations as opposed to running alongside it. Where are we at with that?

Mr McILFATRICK - I will give the same answer I gave at the Minister for Energy's lower House review yesterday. The concept of running along the pipeline was because the road was a pre-existing formation. We have to cross the pipeline at some point and possibly at two points. In the detailed design, we will make a risk assessment combined with the customers in the area about whether using the current formation or using an alternative new route is the best outcome, and that will be a cost and a risk assessment, but in consultation with the owner of the nearby asset.

So, the concept is that you can use existing formations where possible. If this is not possible from a risk assessment we will not do it.

Ms FORREST - Obviously the company, Grange, are doing their own risk assessment?

Mr McILFATRICK - Yes and we will take that into account in the detailed design. What we have is a concept of a road using existing council, DIER and forestry roads. Where possible, we use those formations and upgrade them. If it is not possible, we will move the alignment to protect local assets, whether they be physical assets or other assets.

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Mr STURGES - I will just reaffirm the point that the General Manger of Roads and Traffic made. It is an everyday occurrence for the department to deal with people like Telstra and Powerco.

Ms FORREST - I appreciate that.

Mr STURGES - It is not a big issue. We can work through it.

Ms FORREST - I will continue along that line of questioning. Obviously then, when you have done your risk assessment and Grange have done their risk assessment, a proposal will then be put?

Mr STURGES - Yes.

Ms FORREST - Then, obviously, Grange will need to go to their insurers to have them undertake the risk assessment. If it is suggested, which may well be the case, that a mitigation risk needs to be identified there and there is a cost attached to that, will the Government entertain that?

Mr McILFATRICK - It will entertain discussing it.

Ms FORREST - So they could see the project fall over at that point, if an agreement cannot be reached? Unless you are going to change the route completely, which basically gets rid of the loop roads concept, you have to cross the pipeline.

Mr McILFATRICK - Let's not make Grange out to be objecting to this project.

Ms FORREST - I am not.

Mr McILFATRICK - They are in favour of this project.

Ms FORREST - I know they are.

Mr McILFATRICK - What they want to do is protect their asset and I think that every indication I have from Grange, having met with their chief operating officer, is that they want to work with us to find a risk-adjusted way of doing this that they can live with and that we can live with and I do not think that needs to come to a payment for insurance.

Ms FORREST - I am not saying a payment for insurance. They would pay for their own insurance, obviously, should an event occur that saw their infrastructure damaged.

Mr McILFATRICK - Before we built the road that would be agreed, how we were going to deal with that.

Mr WILKINSON - In relation to managing the road, do you then take over the management of that road? I would imagine that would be the case.

Mr McILFATRICK - That is not defined but my current view would be that the majority of this road is not on DIER's current asset base. What we are doing is enhancing in the majority of

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the council's roads. If we went in and sought the Circular Head Council's permission to upgrade their road and we upgraded it to a better standard and then they undertook to continue to maintain it, we would be happy with that. Obviously we would upgrade the roads so the maintenance would be less and if we upgraded sections of Forestry's road that is under their management and they agreed that that enhancement made less maintenance for them, we would be happy for them to continue to maintain it.

Mr WILKINSON - In relation to the maintenance of the road, that is not going to be a government ongoing responsibility?

Mr McILFATRICK - Not one we are factoring in at the moment. Of course, in the final project, when we go through the agreements work, that will be a total, whole-of-life costing that we will take into account.

CHAIR - With the well-publicised fire at Epping Forest and the Gunn family, there almost seems to be a lack of natural justice here. I know what the DPP have said. They have made a determination, I think, that the State Government was not at fault in this fire. However, the Gunn family had to borrow something like \$180 000 to get their fencing back in order. Has the Government given or offered any assistance to the family at all?

Mr STURGES - I do not see there is an output group for it but I am more than happy to respond to this. I am very mindful there was a devastating fire through that section of the Midlands back on 22 January of this year. It was quite devastating to drive through and see the damage. Tasmania is prone to bushfires. Other landowners have lost property and sheds and fences and stock and a whole range of things. I did commit to Mr Gunn; I went up and I met with him personally to see whether or not there were avenues through which we could provide assistance. I say this very respectfully because I certainly have a lot of sympathy for the gentleman's plight and that of other landowners that lost fencing. My understanding is that Mr Gunn was not insured; he took the decision not to insure his fencing. Some of the other owners were insured. I came back and through all processes available to me sought whether or not there was some means through which we could provide assistance. The advice I received was that we needed to insert Mr Gunn into the process and that process was for a proper assessment to be undertaken by our insurance brokers. I attempted to expedite and facilitate Mr Gunn's getting into that process. The assessors went through due process and concluded that we were not liable. We sought further advice through Crown Law, who also advised us that government was not liable and in fact cautioned that any action taken by government could be seen as our becoming an insurer of last resort. So whilst I have the utmost sympathy for Mr Gunn and his family and for the other farmers who suffered as a result of these fires, the clear advice I have received is that I should not divert from due process. On that basis I had to advise Mr Gunn that we would not accept liability and that we were unable to provide him with any funding to assist in the restoration of his fencing. I am truly sorry about that but the legal advice clearly was that it would set a precedent of government of whatever political persuasion becoming an insurer of last resort in this State.

CHAIR - You were saying that Mr Gunn did not have any public liability insurance; is that your understanding? I do not know either.

Mr STURGES - I have not undertaken the assessment. I understand from a conversation with a representative from the TFGA that Mr Gunn did not have damage insurance, but I have not

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seen anything in writing to that effect. Again I do not want to be insensitive as a result of the outcome.

CHAIR - I cannot recall - what was the cause of the fire?

Mr STURGES - Liability has not been attributed.

Mr McILFATRICK - We know the source of the fire appeared to be on private property - not Mr Gunn's property but another private property - but we do not know the cause of the fire within that private property. It appears that the source of the fire was outside Mr Gunn's property and outside the road reserve.

[2.15 p.m.]

Mr STURGES - To the best of my knowledge at this point in time liability for the start of the fire has not been attributed.

CHAIR - Is it your recollection that maintenance had been sufficient along the sides of the Midland Highway there and that any undergrowth and dry grass was cut to a sufficient standard?

Mr STURGES - There is a regular mowing and maintenance program. We have three contractors: north-west, north, south.

CHAIR - Yes, but it depends when it was done, of course.

Mr STURGES - It has been alleged that there was not appropriate mowing and maintenance. I am advised that there had been mowing and maintenance. I am also advised - and I recollect that we did have some pretty decent spring rains last year - that the maintenance program is considered to be adequate and sufficient in relation to mowing the verges of highways. I do not want to be insensitive to the outcome for the Gunn family and other farming families that were affected by this fire. I gave a commitment to Mr Gunn that I would go away and see what avenues were open. I have looked into every possible or potential avenue open to us to assist that gentleman, but when I am giving clear advice through a Crown Law process I would be foolish to ignore that, quite frankly. I have had to accept that advice and I have also had to accept that this would potentially set a precedent for government becoming an insurer of last resort. I am not insensitive to what happened, I have sympathy for what happened, but my understanding is Mr Gunn did not have insurance for damage to his fences.

CHAIR - I would have thought that a property of that size would have been covered by public liability.

Mr STURGES - Again, I have not seen anything, I just understand that that is the case.

CHAIR - I acknowledge your answer; it is a difficult situation.

Mr STURGES - There have been a number of fires around Tasmania but that was no public and so noticeable. It is on our main arterial link.

Ms FORREST - The other risk from the government's point of view is escaped wildlife. If the fences are not restored you cannot use the paddocks for cows and other animals, so the risk of a car running into an animal on the road -

Mr STURGES - That is why until the fences were restored we had speed restrictions on the road; there were limitations on the use of the road for a period of time. Wildlife will always get through those fences.

Ms FORREST - I meant cows and sheep. If you hit a cow at about 80 kph it does serious damage.

Mr STURGES - We did have speed limits and restrictions on the use of the road.

Ms FORREST - My point is that there is some concern from a government point of view if the fences were not replaced and the risk of litigation if someone did crash into an animal. It is the farmer's job to keep them restrained but all his fences were down on such a long section of the highway.

Mr STURGES - With respect, I do not think any farmer worth his salt would put livestock in a paddock without fences on the Midland Highway.

Ms FORREST - No, he would not have put them there but at the time it happened there were a lot of fences down.

Mr STURGES - When it happened that was a genuine emergency situation and it was all hands to the pump. Aurora was there, the Fire Service, police - the situation was managed very well by our emergency service personnel. As a consequence, a lot of work was done to clear the highway, to clear the trees that had fallen on the highway. From a DIER perspective, we imposed speed restrictions for a period of time until it was deemed safe to restore the maximum speed limit.

CHAIR - Speaking of wildlife, I think Mr Martin had another question.

Laughter.

Mr MARTIN - Minister, you will probably refer this to the secretary. Every department has to find the savings and contribute to the 800 public service redundancies. How many do you expect to lose from your department and what steps are you going through to identify the redundancies?

Mr STURGES - I will defer to the secretary in a second. I think members will accept that the global financial crisis has placed some quite exceptional challenges, not only on this Government but also on business, and not just here but also throughout the Western world. The agency's budget reflects reductions to address the whole-of-government budget management strategy and that is why I am loath to start talking about specific numbers because we have an efficiency dividend target to meet of \$2.581 million. We have a reduction of SES and middle management positions to the tune of \$580 000. We are going to reduce agency costs and that is the way in which we do business by \$325 000. We are also looking at other operating expenses, the number of vehicles, travel and the amount of travel, use of mobile phones and the number of mobile phones, advertising and promotional dollars that are spent. There is also significant costs that have been imposed through - and I am not suggesting this is something we should not have supported - the public sector wages agreement which is going to cost us \$859 000. There is our commitment to continue the motor registry system implementation process of around \$600 000.

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We have to meet our core passenger service review commitment in relation to intelligent access systems on our school buses to the tune of \$457 000.

We are taking a whole-of-government approach and I know you want to get a precise number but the secretary and his executive management team have been already putting into place vacancy control management processes and a whole range of other issues within the department to bring down the amount of costs and the last thing we want to do is be targeting large numbers of staff because it is a very resource intensive department. The work that is required requires people. I will hand over to the secretary now.

CHAIR - Mr McIlfatrick, can you be succinct in that answer, please?

Mr McILFATRICK - I will talk specifically about the minister's portfolio. Our head count in terms of full-time equivalents has remained fairly static over the last year with the Infrastructure Department having about 354 full-time equivalents and up to 359, so on balance, given that the department has quite a large mix of permanent, temporary and casual employees, that is quite stable.

The overall department head count, including Energy and Resources and Racing, is about 660 so in that overall 660 I think there will be fewer people in the organisation at the end of next year than there is this year.

Mr MARTIN - Have you an expected number?

Mr McILFATRICK - I have put an honest figure out to my staff. I like to let them know before anyone else and my view is that it could be up to 40 fewer out of the 660 but to put that in context because of the nature of our business where we are not fully complemented by permanent staff, we have people coming in and out and this will diminish, but our turnover on a quarterly basis has been about 40 per quarter, so people come in and work for 12 months on a project and then go out, and generally up to about six months ago, we had been replacing those 40 as they became vacant but over the last two quarters we have been focusing on not replacing a job if it was at all possible to do that, so we have been preparing for this potential. I expect to have redundancies at a minimum and to be managing the task by general turnover, by early retirement, by vacancy management, if you like.

Mr MARTIN - If you have to resort to redundancies, voluntary redundancies, how will you go through the process and identify the people?

Mr McILFATRICK - It will only be on the basis - and I have given my employees this same commitment - of us identifying areas of the business that we can no longer achieve or carry out, and they therefore will be targeted separations rather than a broad call for voluntary redundancy.

Mr MARTIN - One of the fears of going through a voluntary redundancy program is that the best put up their hands, because they are the ones who can find jobs. That will not be the case?

Mr McILFATRICK - We will identify activities within the business that are lower priorities, and I will agree those with the minister. Having agreed those, we will talk to the staff involved, and if they are capable of taking a redundancy they will be offered it. It will be a voluntary offer, but it will not be a broad offer of redundancy across the department.

Mr MARTIN - And the Premier has set a benchmark of losing X number of middle managers.

Mr McILFATRICK - We do not expect all the workers to take the heat. That will be right across the board we will be looking to make these efficiency gains.

Mr STURGES - And at the senior executive level, SES-

CHAIR - I think if there are no further questions in the overview, we will move to 1.1 and that is Infrastructure.

**Output group 1 -
Infrastructure**

1.1 Transport system policy and planning -

Mr MARTIN - Minister, in relation to 1.1, the Policy and Planning Section, you have talked about the Integrated Plan, and you still had to go through the list of policy documents. Can you tell me, without going through them in detail, how many are fully completed, how many are work in progress, and how many not commenced?

Mr STURGES - What I will do is hand to Norm.

Mr McILFATRICK - Given we said before, we had stage 1 of the framework completed, there are two things we could table. One would be how some of those documents fit within the framework, and where we have identified them, except where there are no italics they will be completed, so we could give you that. Plus we can give you the framework for the Infrastructure Plan itself and how we are putting that together.

Mr MARTIN - So you can table them?

Mr McILFATRICK - Yes. This one I am tabling is the Transport Policy Framework, and it includes such things as Infrastructure Australia Order, the Core Passenger Services Review, and they are completed. Where they are in italics, the Tasmanian Urban Public Transport Study is currently being completed. It gives you the picture you are looking for without us going through a long story. The other document worth having in context is the template for the infrastructure strategy which includes more than just transport, so this is the transport initiatives, and this is a one page which will give you an idea of where we are heading. The top end of the picture is where we are currently at, and then the next phase is putting the meat on the bones, if you like, over the next few months of the strategy so I believe those two read in context would be helpful. I can table that as well.

Mr STURGES - That is a good snapshot document of the strategy. It is very important that I stress again the difference between the 10-year strategy, and the planning systems are underneath that strategy.

Mr MARTIN - I am a little surprised to see the reduction in the Budget of \$826 000 in this line item, which the footnotes suggest is due to the completion of the initial phase of the State

infrastructure planning system. I would have thought, without having had a chance to look at this in detail, that -

[2.30 p.m.]

Mr STURGES - We can give you that answer.

Mr MARTIN - You have enough money to keep it going?

Mr STURGES - Absolutely.

Mr McILFATRICK - One is a technical system for inputting things like the freight demand survey that I talked about before and then modelling what those outcomes are. The other one is a strategic planning process which we have the resources of the whole of Mr Spence's department to look at.

Mr MARTIN - When do you expect all of this planning work to be completed?

Mr McILFATRICK - It is continuous. The State infrastructure planning system is a tool and at the moment we are doing some modelling on behalf of broader government on such things as modelling some social infrastructure requirements and maybe David Spence can outline what those are. It will be a continually used model. What we have said is we have completed the initial commitment to developing a system, now we are actually using it.

Mr SPENCE - In relation to the State infrastructure planning system, as Norm mentioned we have now moved out of the transport sphere and we are looking at whole-of-government priority areas and there are two particular areas we are looking at there. One is that we are providing a lot of support for the kids coming first project and in that context we are looking at Child and Family centre locations so we are working very closely with them. We are also working very closely on the housing issues. So we are looking at land use and supply issues and where people are moving to and we are providing some excellent demographic data in terms of a system we plan for that issue. They are two whole-of-government issues that have identified as priorities where we are providing that infrastructure support.

Mr McILFATRICK - It enables us to take ABS and other data, census data, populate the system with it, look at people's trends and their transport needs and then formulate where, for instance, the best position for a childcare centre may be.

Mr STURGES - I think you would be genuinely impressed with a briefing.

Mr MARTIN - Does this work include the analysis of school traffic?

Mr McILFATRICK - As you would be aware, there is an emerging trend towards intelligence programs for traffic movement and one of our first objectives is to get this technology onto school buses so that we can start to plot movement times and volumes within the school bus fleet.

Mr STURGES - We will be mandating that. It is important that the Secretary has raised that. Out of the core passenger service review a lot of good things have happened and I will be quick.

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A lot of new and newer buses are in the bus fleet. Seatbelt-compliant buses are coming on line on rural runs, but also these intelligence access programs that we want to put into buses will allow us to track movements, passenger numbers, where the buses go particularly on the rural routes to make sure they are sticking where they should be and at the times they should be. We are moving forward now to have them installed in the school buses.

Mr MARTIN - We have a traffic problem on the Brooker Highway and I understand from other commuters on the other main routes during school time that we don't have during school holidays.

Mr McILFATRICK - The model is there, it can take whatever information we want to put in, and at the moment we are doing a greater urban passenger demand survey. That demand survey would include levels of travel to work, travel to school, and that can be put into the model and then used.

Mr MARTIN - When will that be completed?

Mr SPENCE - About a month. It is done over a 12-month period.

Mr MARTIN - Will that be publicly released?

Mr SPENCE - It will be available data.

Mr STURGES - The member has raised the point about traffic around schools. I am probably going to provoke people in the education system but there is one particular issue where there a number of schools in close proximity in the northern part of the State. We have requested the schools to provide parking off the main arterial link but they are loath to do that. That would certainly assist with traffic flow. I think you might be alluding to places like outside Rosetta High School, for example, of a morning. We acknowledge that that is an issue.

Mr MARTIN - Yes. To come into Parliament House from Claremont takes me 30 minutes during school time and it takes 15 minutes when school is on holiday so there is a traffic problem when school is in. That is for people commuting from one side of Hobart to the other.

Mr WILKINSON - In relation to that same matter that you speak about - and it comes into road safety as well - a lot of people do not know that Sandy Bay Infant School, for example, is on Sandy Bay Road. Therefore they are driving along at a certain speed, the sign is not a flashing sign and a number of them are being intercepted for driving over the speed limit. People who are foreign to the area will not know that the school is there or know that they have committed an offence. It gets to the flashing lights.

Mr McILFATRICK - There will be a flashing light there soon.

Mr WILKINSON - Good.

Mr McILFATRICK - I would have check our program.

Mr STURGES - We are rolling out I think it is over 700 to about 240 sites around schools in Tasmania. Is it \$7 million?

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Mr McILFATRICK - We can check exactly.

Mr STURGES - It is \$6 million and that is being funded through the road safety levy. I acknowledge that that has been an issue with static signs around a number of schools and, for what it is worth, we have received very positive feedback around the State where these signs are being rolled out. There has been a minor technical glitch with the software in the signs; we have overcome that now. That is why there was a bit of a hold-up but we are back on track rolling them out now.

Mr WILKINSON - Of course in some areas it is bleeding obvious where the schools are but in others it is not. I think that is the problem.

Mr STURGES - Yes, I do acknowledge that.

On the honourable member for Elwick's question, something else government is very keen to pursue - and I acknowledge it is not going to happen over night - is that we are looking at introducing priority arrangements for buses so that we can encourage people to get onto public transport rather than mum taking the kids to school.

I am advised we will fix the Sandy Bay sign for you soon.

Laughter.

Mr SPENCE - It is actually there, ready to go.

Mr WILKINSON - But it is not flashing.

Mr STURGES - We will fix the Sandy Bay sign; it has a slight technical problem. We will fix the Sandy Bay sign for you soon.

Mr WILKINSON - It only flashes when Mr Spence drives past.

Laughter.

Mr STURGES - We are looking at prioritisation arrangements for buses. We are looking at things like park and ride. I know the Tasmanian Bus Operators Association is very keen to get on board with the park-and-ride concept so that we could have feeder links maybe coming out of Glenorchy and feeder links into the Eastern Shore and down in the southern suburbs. I know the bus lane on the Southern Outlet has caused some concern for commuters but we are looking at improving that; I am not going to wind back on that. We are working with the Hobart City Council to bring a bus lane down into Macquarie Street. We are looking at a better slip lane arrangement up into Cascade Road. We want to do that on the Brooker Highway; we want to have park and ride. The new Kingston bypass plans that have either been submitted or are about to be submitted take into consideration pedestrians and cycling but most importantly, the plan - it is a very contemporary road plan - takes into consideration park and ride facilities. So hopefully the urban transport study and the plans that we have going forward will give people other opportunities to get to and from school or work rather than take their cars.

Mr WILKINSON - I have been told, although I haven't checked up to see whether it is right or not, that people trying to get from the Polytechnic at Hobart College to the campus at Clarence

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cannot do so between 12 noon and 4 p.m. because there are no buses between 12 noon and 4 p.m. going between those two campuses. I have been told that that is causing a problem so it is probably worth checking up on. I might be wrong but that is my advice.

Mr STURGES - We do not even need to have that on notice; we will have a look at that for you. I do know that the Minister for Education and the Premier has said that we are committed to moving those kids between campuses to meet their educational needs, so we will have Metro have a look at it. Will I just get back to you personally or do you want to come back to the committee?

Mr WILKINSON - To me personally is fine.

Mr MARTIN - I have other questions, but given the time I might relinquish them.

Mr STURGES - I have here for tabling, as requested, Tarkine Road Options Community Forums -

CHAIR - Is it on the net?

Mr McILFATRICK - If it is not we can certainly get it on our net.

CHAIR - We do not need a table if it is on the net.

Mr McILFATRICK - We will provide the link.

CHAIR - Thank you very much. Any more questions on 1.1?

Ms FORREST - Prior to the Budget, the Minerals Council of Tasmania put a proposal to the Government for a western Tasmania industry corridor study, valued at about \$250 000, to look at all the infrastructure related to the west coast from Strahan and Queenstown and through to Burnie, and subsequently a request to the Federal Government for funding under infrastructure stimulus funding. During the second reading speech in this place, the Treasurer said that whilst it was not supported at the time, it will be supported and fit into, I imagine, the State infrastructure plan you are talking about. When will that happen?

Mr McILFATRICK - Are you talking about the proposal for the \$250 000 study?

Ms FORREST - Yes.

Mr McILFATRICK - We were quite supportive of that study in concept. It was actually delegated to the west coast economic committee that was set up to look at it. I am not trying to pass the buck but certainly it was in the Economic Development portfolio.

Given the nature of what is happening in the north-west and the west lately with some of the industries impacted, I have an assurance from the Department of Economic Development's secretary that they are continuing to look at that as an option, but I cannot give a commitment today as to where we are at with that.

We also, in a submission to Infrastructure Australia, recognised that studies of the west coast transport systems were an essential prerequisite to longer-term funding. We did not succeed with Infrastructure Australia - we asked for about \$750 000, I believe.

Mr STURGES - That was not a priority project, it was one of five.

Mr McILFATRICK - It was not a priority project at that time.

Mr STURGES - But it was one of five they requested.

Mr McILFATRICK - It was identified. We are strongly supportive to work with the Minerals Council and Economic Development, but given that there has been an Economic Development Committee set up which involves both government and industry on the west coast, that is where that -

Ms FORREST - That was set up about the same time.

Mr McILFATRICK - It was, and the Minerals Council have put that in. I have spoken to Terry Long about it; I think it is a good idea and it is a matter of putting it in the mix of all the other things that need to be done. We will certainly have it in our strategic planning agenda; it is something that we will have on the table over the next year.

Ms FORREST - This is a slightly different tack, the budget management strategies that are being implemented across the department. We hear that frontline services in Health, Education and Police are being quarantined. Are we likely to see impacts on what I would consider front-line services in your department - services such as driver testing, Service Tasmania, facilities officers, policy and planning, the safe and efficient movement of people around the State? Are they likely to be impacted, and are we likely to see delays in driver testing and that sort of thing?

Mr McILFATRICK - At the moment we are in a bit of a perverse situation with driver testing in that we are actually increasing our staff numbers because we are increasing the amount of activities to the novice driving. It is difficult within our department to say what is frontline; I think it is just as important for someone to be doing the background engineering on building a road as it is for someone to be driving the dozer. Our budget internal expenditure reflects a significant component but is equalled and even outshone by the amount of capital work that we put out into the community. So if we cut to the quick too much on the people doing the actual preparation work, we will not be getting that capital out the door.

Ms FORREST - That is my concern. How can we avoid that?

Mr McILFATRICK - For me, the whole department is frontline at the front of trying to get infrastructure out the door and transport systems operating. So if we have cuts we will need to apply them at the lowest priority areas wherever they are, whether they are at the so-called frontline or whether they are at the back.

[2.45 p.m.]

Ms FORREST - Do you have any idea where you want to apply those?

Mr STURGES - Before we get on to that, this time last year and rightly so, the Government was being criticised for the delay in arranging driver testing for learner drivers. Can I tell you that we have put on an additional four full-time and two part-time driver-testing officers and one of those has been allocated to the west coast. Last year, from memory, I think on average it was a waiting period of possibly three months or more. The driver assessment waiting period as at

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22 May 2009 for Hobart is nil, for Bellerive it is one day, for Moonah it is four days, for Launceston it is nil, for Burnie it is three days and for Devonport it is seven days. We have been recruiting and we intend to recruit another 2.5 permanent and 2.5 temporary driver assessors to cover the additional demand as a result of the additional practical test from the novice driver reforms. So we are not about laying them off.

As the secretary quite rightly said, whilst we have to manage the budget downturn, there are some hard decisions that have to be made. We also acknowledge that we have record funding for road and rail infrastructure of \$277.5 million to roll out. We need people to do the work to -

Ms FORREST - That is the question: where are these people going to be cut from? I hear what you are saying and the great things that you are doing but where are they going to be cut from?

Mr STURGES - That is what the secretary said -

Mr McILFATRICK - From the lowest priority activity.

Ms FORREST - How do you identify that then?

Mr McILFATRICK - That is what I get paid my salary for, to run an organisation of 660 people efficiently and to engage with them effectively so that they understand and they contribute as people in that organisation to help us identify where the savings could be made. I am not sitting in the high chair and saying 'There's a saving, let's get rid of that person'. The way I work is to engage with my employees. They are the first ones who are going to let me know where the savings can be made, they are going to be the people I first engage with. I am not going to identify people or types of people in this forum who are under a gun. There is no-one targeted at the moment because we are going to work with our people to get that outcome.

Mr WILKINSON - We were told yesterday that the FTEs are going to be classed as \$66 000 and therefore your budget is reduced \$66 000 per how many people or positions they believe you are able to shed.

Mr McILFATRICK - When you are a central agency like Treasury you have to pick some sort of way of working out what the benchmark cuts up so they have to work something out. But I am not going to be look for a whole lot of people who are being paid \$66 000 a year and try to target them.

Mr WILKINSON - No, but as far as the money you get, that's what this is about. -

Mr McILFATRICK - They calculate the target and then ask me to please deliver it. Now I could deliver that target by having the same number of employees next year -

Mr WILKINSON - Correct, that is right.

Mr McILFATRICK - but I may not have enough money to do anything. Therefore I need to get in balance. I could save most of that money by not travelling but it would mean that we were not engaging with the Federal Government and some of the international counter-parties in forestry and other areas. So we won't be able to cut it. I could cut it all out by getting rid of all of

the vehicles we have but then we would not be able to get to work. So it has to be a coordinated effort. We have started to work through it -

Mr WILKINSON - Ride in the bus.

Mr McILFATRICK - We have started to work through it. My track record is pretty easy to look at. I do this fairly and aboveboard and you can rest assured it will be done properly.

Mr WILKINSON - When do you have to do it by?

Mr McILFATRICK - We have to make the savings identified in the Budget in this budget year therefore if we have to save \$5 million we have to save it in 2009-10. So we have to start six months ago.

Mr WILKINSON - That is right. Is there any time limit for you to say, 'This is my plan therefore by November 2009 everybody will know what the situation is'?

Mr McILFATRICK - As early as possible, and if I do not have the plan articulated, engaged and in place by this time next year there will be someone else in the chair.

CHAIR - Thank you.

1.2 Rail safety -

CHAIR - We have given this a pretty fair thrashing. We spoke about the Auditor-General's comments and we have answered that. We have been all through that issue but to illustrate the fact that there is, in terms of derailments in Tasmania compared to other states, a graph. I hold it up for *Hansard*. There it is. There is Tasmania per million freight kilometres travelled. It is not such a good look compared to some of the other States.

Mr STURGES - Mr Chair, could I introduce to the table Ms Penny Nicholls, the General Manager of Land Transport Safety and Tasmania's Rail Regulator.

Mr McILFATRICK - I would like to make the distinction that we have a regulatory role in this department. I took the decision not to be the rail regulator because I felt that I was managing a rail management unit. That independent person is Ms Nicholls. She can tell us all about it.

CHAIR - I do not think we need a great explanation at this stage.

Mr WILKINSON - I notice in the performance information output group 1 we have rail safety compliance audits completed with agreed audit program time frames. We have nearly 100, 100, 100, 100. When one looks at the derailments that have occurred and the tick of 100, we think we cannot do anything more than we have been doing. Is that the case or can we do better? What should our mark have been?

Ms NICHOLLS - We can always do better in relation to derailments. I take the point that the number of running line derailments that we have in Tasmania is certainly ahead of what is happening in other jurisdictions but in looking at Tasmania's rail profile in comparison to mainland jurisdictions it is important to recognise that each State has a different rail safety risk profile. Tasmanian railways are characterised by low speed, most freight services operate over

some difficult topography, tight curves, steep grades. The profile is different to the mainland profile which includes a large percentage of high speed and commuter passenger services. In relation to rail safety accreditation and the management of lines, railway owners and operators are required to be rail safety accredited for their type of operation. They are required through that accreditation process to assess their own safety risks and ensure that identified risks are controlled by applying the appropriate technical management standards.

Mr WILKINSON - Should there be a better KPI, do you think? Because when one would look at rail safety and you would see 2008-2009 is 100 - being 100 per cent. Then you would go to the derailments and you think, 'How can that be?' It does not seem to fit.

Ms NICHOLLS - I will take on board, in terms of future performance reporting, a different KPI. There is a requirement under the Rail Safety Act for an annual audit to be done of each railway operation. That is showing that we are meeting that statutory obligation but we can certainly look at a future different KPI.

Mr WILKINSON - Have there been any injuries or deaths as a result of the derailments?

Mr McILFATRICK - We have been lucky to date. They have been low speed derailments. They can be quite destructive to plant equipment. The Rail Safety Regulator can only audit as much as they are capable of but there could be, in an integrated rail entity, a derailment register, a derailment target. That would be something I would be looking closely at as we put the entity together because when you have control of the maintenance, the capital and the operating then you can have a target. It would be an objective of the Rail Safety Unit to have no derailments but they are not the engine driver or the maintainer, they are the safety accreditator and investigator. I would like to see a performance target for the rail system emerge which would have things such as minutes between different intermodal points and that would be an efficiency measure. We will see those develop as we put the whole thing together. I accept that that is broader than the rail safety unit. The major issues for rail safety that Penny will have to be dealing with will be a move towards national rail safety accreditation and legislation and that will be a large effort that we will be putting in over the next few years.

Ms FORREST - If the Government takes up the ownership of that, will it fall to the Government to maintain that accreditation?

Mr McILFATRICK - It would fall to the entity to maintain its rail safety accreditation that was still formed to the local regulator. He was under a State or national regime to regulate that safety performance and regulate their safety accreditation.

Ms NICHOLLS - We will have a lot of work over the next five months or so leading up to the transition at 30 November in terms of accrediting whoever that entity is, both for above and below rail operations.

1.3 Road safety -

Ms FORREST - This year has been an absolutely shocking year with road deaths and serious injuries. The challenge for all of us is to try to ascertain why that is, and it is obviously very difficult. There are a number of proposals that have been talked about. I think, Minister, you were talking about the matter

Mr STURGES - On the ABC, yes I was.

Ms FORREST - The increased visible presence of police on the main roads particularly - anecdotally and personally, I have noticed there has been an increased presence over the last couple of months in marked police vehicles. You still see the odd unmarked one pull someone over. Is the Government going to seriously consider that as an ongoing measure, that increased police presence, particularly on our major highway?

Mr STURGES - It really is a matter for the Minister for Police to respond to that. I have no jurisdictional control over the Tasmania Police service, so it would be improper of me to try to answer that question. I can talk to you about what we are doing from a road safety perspective, how we are spending the road safety levy, what we are doing about our road safety strategy, what we are doing in the area of novice driver reform, what we are doing as far as best-practice infrastructure. There are some quite exciting innovative infrastructure that we are looking at. When you travel on Constitution Hill you have probably seen the small weather station we have had situated up there. It will not be too far down the track that we install what is called 'WITSS' - wet and icy traffic signalling systems. We are looking at doing the same down around Vince's Saddle at a later stage, on the Huon Highway. Basically, the weather stations capture the data so that when the roads are becoming frosty or icy, when the temperature drops significantly, those signals will come up and warn motorists. They also have the capacity to reduce speed. Penny, I do not know whether you would like to talk further on that. We are happy to talk to you about our road safety direction but I cannot speak on behalf of the Minister for Police.

[3.00 p.m.]

Ms FORREST - The keys2drive program has been a work in progress for some time and I think that it is operational now.

Ms NICHOLLS - Yes it is.

Ms FORREST - That is a voluntary program?

Mr STURGES - Yes.

Ms FORREST - Is there any consideration at all to implementing a compulsory course for young drivers before they get the first L-1 phase of their licence, purely of an educational nature to talk about hazard perceptions and that sort of thing?

Mr STURGES - Keys2drive is a Federal initiative which we are very supportive of. What we are doing is -

Ms FORREST - The reason I ask is that is a program focussed on novice drivers.

Mr STURGES - You are right on message. Through the road safety strategy, and one of the key planks was safety for young drivers, we introduced what we now call novice driver reforms. That novice driver reform now requires a learner driver to hold their learners licence for a minimum -

Ms FORREST - We know what the reforms involve.

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Mr STURGES - Hang on; I want to tell you about the practical test and then I want to talk to you about Triple-R training programs that we are rolling out, but I am happy to leave it at that.

Ms FORREST - No, my question was if any consideration has been given to a compulsory course for young people or anyone,

Mr STURGES - That is where I was going.

Ms FORREST - All right.

Mr STURGES - But you see it is now compulsory to hold your licence for a minimum of -

Ms FORREST - Is there a school-based one?

Mr STURGES - About two-thirds of the schools in Tasmania are rolling out what is called the Road Risk Reduction program and I am sure that you have seen that.

Ms NICHOLLS - Road-risk reduction is funded through the 2006 election commitment.

Mr STURGES - For teachers who go off line to be trained and accredited to impart the program we supply relief. I am pushing very hard to have that mandated for all schools in Tasmania.

Ms FORREST - That is the question that I had, are you going to mandate something?

Mr STURGES - I am pushing very hard to mandate that and to have that rolled out into all Tasmanian schools as part of the TCE assessment process. I am working very hard to get acceptance. Two-thirds of all schools in Tasmania have currently picked it up and are running with it. I want to pick up the other third.

Ms FORREST - But that does not mean all students who attend those schools; it is not a requirement to get your Ls. In ACT you cannot get your learner licence until you have done that course.

Mr McILFATRICK - The next step for us is to engage pretty quickly with education. I have already an appointment with the secretary of Education to discuss the benefits of what we have done already, to encourage them to take this up as part of their curriculum. If it is part of the curriculum and accredited then we have a much better chance of getting it up. Mandating is one way but actually encouraging people to participate in it because it is available and part of their curriculum and is legitimate will probably have a better outcome rather than forcing people to turn up and not having them turn up.

Mr WILKINSON - Can I ask what the hold up is because I know I mentioned novice training about four years ago, probably a bit longer now. It was met at first with, 'I don't know if it is going to work' - a bit like hoon legislation. What has been the delay?

Mr McILFATRICK - There is proof in the pudding. The 143 teachers that have been through the road risk reduction training and the 65 per cent of schools that have taken it up in that time since 2006 -

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Mr WILKINSON - Eighty per cent is the target for this year, isn't it?

Mr McILFATRICK - Yes, and we have 65 per cent. Let us make it 100 per cent. The tool kit is magnificent, it has been developed, and we did not have the tool kit in 2006. It is a piece of the curriculum that would need a bit of enhancing to make it a part of the compulsory curriculum, but not much and then we can go. We will try to be as convincing as you are with the secretary.

Mr STURGES - We are very keen to push it.

Mr WILKINSON - Which level is it being aimed at?

Mr McILFATRICK - Years nine and 10.

Mr WILKINSON - Okay, because nine and 10 was really when you can capture them.

Mr McILFATRICK - Yes. Our aim would be to make it a compulsory part of an accredited course for years 9 and 10 students.

Mr STURGES - That fits nicely with the novice driver reforms where it is now harder to get P plates. It is now harder to stay on your P plates. There is that second prac test. I have done it but I am not going to tell you the result. You can go online and actually do the learner's theory test. Go online and see how you go. I did it at Agfest and I failed one.

Mr McILFATRICK - One of the compulsory questions.

Laughter.

Mr WILKINSON - You did not give up after the first question, did you?

Mr STURGES - I had a few people looking over my shoulder. My adeptness with the mouse is not that flash at the best of times. It is for a mature-age driver who probably has not undertaken some sort of road-rule testing in a theoretical sense.

Ms FORREST - You need to teach some of your kids. That is how you learn it.

Mr STURGES - Yes, if your nerves can stand it.

Ms FORREST - Just going down the path of trying to deal with the road statistics that we have this year, has any consideration been given to using advertising campaigns such as the Victorian Transport Accident Commission program they used years ago, which was re-enactments of events. There were about eight re-enactments of actual events which highlight things like drink-driving, inattention and various aspects of inattention that are very confronting?

Mr STURGES - The Road Safety Task Force is about that promotion and enforcement. The Road Safety Council is about developing policy for road safety, so the task force really has this charter. Penny is on the task force and she might care to speak.

Ms NICHOLLS - The Road Safety Task Force is regularly in contact with TAC in relation to their advertisements as well as other advertisements that are produced around the country. We have a look at those and make decisions as to what we might be doing here in Tasmania.

Sometimes we pick them up but sometimes, though, those ads might not be appropriate for Tasmania at a particular time. You may be aware that the Road Safety Task Force next month is about to launch another speed campaign centred around excuses - drivers who are finding excuses to speed. Through the research that we have done to date that is the next focus area for our suite of speed campaigns that we have been putting out in the last few years.

Ms FORREST - There is also a series of advertisements about novice driver experience. There were a number showing parents giving excuses to their children, like it is too wet, it is too dark, there is too much traffic or whatever, which I think is really bad because there is no such thing as an excuse. Once kids have their Ls they drive. I hear people in the street saying that sort of thing.

Ms NICHOLLS - They have to get home quickly to watch the television.

Ms FORREST - Yes. Is there any suggestion of using those advertisements, particularly with the novice driver reforms to help parents to see how important it is for their kids to drive in every condition?

Ms NICHOLLS - Not at this stage. We have an advertising campaign that I think is being filmed today on the Huon Highway in relation to that excuses-for-speeding theme. We will continue to look at TAC and other advertisements as we are developing where we might go in the future with campaigns. We are very mindful of what is existing around the country and, as I said, we are regularly in contact with TAC in terms of the material available.

Ms FORREST - Has consideration been given to extending the road safety levy beyond 2012 when it finishes? It think it has been well received by people generally. They see where the money is going; you can see the flashing signs and a number of things.

Mr STURGES - You can see a lot of flexible barriers and see some work happening. Our second update report is coming out very soon on what we have spent. We did give that commitment right from day one that it would be transparent; it would be a separate line item, if you like. In answer to your question, from a personal point of view I will pushing very hard indeed. This is available on the web is it? I do not want to table something that is available. It is Your Road Safety Levy at Work - First Year Progress Report. We have that up on the web. I am happy to table it if members want it.

Ms FORREST - If you would like to table that one copy, it would be helpful.

Mr STURGES - In answer to your question, I will personally be pushing to have it extended. If you look at the budget papers you will see that it cuts out in 2012. I think we are getting good value for money out of the levy and it is genuinely doing the job that it was intended to do and that is, make our roads safer in this State, and we will continue down that path. There is no legislative commitment beyond 2012.

Mr WILKINSON - Defensive driving - I mentioned this a few years ago in relation to defensive driving courses. People say that sometimes it causes drivers to be a bit overconfident but I understand there have been new surveys to say that is not the case. Is there any likelihood that if you engaged in a defensive driving course there might be a reduction in fees for either your licence or your registration - an incentive for people to take it up to become better drivers? If they become better drivers they also get a benefit financially.

Mr STURGES - The evidence at the moment, and I will defer to Penny in a minute, does not show that a defensive driver training course makes a young person a better driver. Having said that, my young bloke has just gone through a defensive driver-training course and reckoned it was a real buzz. We are focusing on more supervised learner hours and that novice driver reform of a second practical test. Bear in mind, we do take our general policy advice from the Road Safety Council which involved people like the Monash University Accident Research Centre, the RACT and LGAT - people who have a genuine knowledge. It is not suggesting that mandating defensive driver-training courses will make young drivers safer. However, we do provide, in the new P1, P2 phase, where, if you go through your P stage without offence, we will refund your licence fees. There is that incentive there for young drivers to go through without offending and get a refund. Penny, I do not know if there is anything that you need to add.

Ms NICHOLLS - No, except to say that if you do have some research that shows that defensive driving does produce positive road safety benefits for young people, I haven't seen it.

Ms FORREST - It is not just young people we are talking about here though. I did a course recently and I found that it was very beneficial. There was a whole range of age groups at that course. There were some Hydro or Aurora staff and Greg was on it too. Were there Aurora people there as well?

CHAIR - Yes.

Mr STURGES - Was it at Baskerville?

Ms FORREST - No, it was at Symmons Plains.

CHAIR - It was excellent.

Ms FORREST - It is not just young people who can benefit from it.

Mr STURGES - Can I say to members, and I seriously make this offer, if you would at any time like to drop a note or come and make a presentation before the Road Safety Council, feel free to contact us because if you have good ideas that are going to keep Tasmanians alive on our roads -

Ms FORREST - There will be a committee report out soon to help you.

Mr STURGES - I understand that and we are looking forward to getting that committee report, we really are.

CHAIR - As mature-age drivers I think we do develop some bad habits and, as Ruth said, you correct those or you hope to.

Ms FORREST - The Chair of the committee particularly had some bad habits.

CHAIR - Yes, I did.

Mr STURGES - We certainly do not apply blinkers to the issue of road safety and where we can get good advice based on evidence and research, we will certainly take note of it and consider

it. I make the offer to members that if they at any time wish to make a written submission or come and have a chat to the Road Safety Council at any time, we will certainly do our best to accommodate that.

CHAIR - I have a quick question in regard to speed limits. Various people at different times talk about the reduction from 110 down to 100 on our main highways. I cite New Zealand, for example. If you travel on most of their main highways you see signs up everywhere that say, 'You are twice as likely to die at 120 kilometres an hour as at 100 kilometres an hour'. It is a very graphic message from the New Zealand police. Given our road toll this year, is it something that the Road Safety Task Force and/or your department might pursue?

[3.15 p.m.]

Mr STURGES - As part of our Road Safety Strategy, we are trialling and outlaying money on safer travel speeds, which is a key plank of the Road Safety Strategy. We currently have a trial of lower rural default speeds in the Kingborough Municipality and the Tasman Municipality. Now I think MUARC are about to provide us with a report in relation to Kingborough, aren't they, Penny?

Ms NICHOLLS - They have in relation to Kingborough and that has been presented to the Kingborough Council.

Mr STURGES - That shows that there has been a reduction in crashes and a reduction in injuries. I made a comment on ABC Radio here a few months ago and did not realise the interest that the Tasmanian community have in relation to speed limits. I have subsequently ascertained, by the way, that there are 300 kilometres of Tasmanian road where you can legally do - if the conditions allow you to, let me stress - 110 kph. There seems to be this perception that there are a couple of thousand kilometres of road in Tasmania where you can belt around at 110. That is the limit, subject to conditions. My mind is not closed to this issue; I will take sound advice through the Road Safety Council based on evidence, and it is not something that we are going to have a knee-jerk reaction to. We have reduced the 60 to 50 in urban areas and we are constantly looking at speed limits. There are a couple of areas on the Midland Highway where we have reduced speeds as a result of safety concerns. We will be considered, we will be measured, and we will base any decision on evidence as we go forward with this issue.

Ms FORREST - Can I just ask on that point then, why was the speed limit at Cleveland dropped from 90 to 80 after all the roadworks were done?

Mr STURGES - Because we were approached by the Northern Midlands Council, I understand.

Mr TODD - Do you want me to table that now?

Mr STURGES - We are waiting for the secretary to come back.

Mr McILFATRICK - There was an earlier discussion on it. It is on the web site -

Ms FORREST - I want to have a look at it now.

Mr TODD - I need to table it then.

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Mr TODD - I can't give you the exact names of people that made contact with us. We had representations particularly from the local community in terms of concerns over speed limits through there.

CHAIR - There are only six houses there, aren't there?

Mr TODD - Yes, but there are still people turning into side roads, houses and other properties there. It is always a difficult matter to balance the interests of both the local residents and the public who are travelling through there, so we go through a process of looking at their issues and trying to get that balance right, but it is not always easy.

Mr STURGES - Eighty kilometres in Epping too so you can slow and get your dim sims at the roadhouse.

Mr McILFATRICK - Eighty as a default is a better speed than having a whole lot of 70 and 80 and 100. If it had been 80 all along probably people would not have worried, but there was a change from -

Ms FORREST - The funny thing was that the road was all upgraded and made much better than what it was, and then you dropped the speed limit back. It was quite incongruous.

Mr HARRISS - A good explanation, but we are all smiling.

Mr WILKINSON - While we are talking about that, in relation to line markings, I know the lines are marked in white. I was in New Zealand fairly recently, and they are marked in yellow in some areas, especially in the areas where there is a lot of fog, where there is rain, and going from one to the other there is a marked difference between the two colours. It is far, far easier to see the lines painted on the road in New Zealand than it is in Tasmania, far easier.

Mr STURGES - Well I don't know. We have had our budget cut; we can't travel.

Laughter.

Ms FORREST - Let me tell you, from someone who has to travel to get here -

Mr STURGES - I am talking about New Zealand.

Mr McILFATRICK - I think the issue is twofold. Finding the right treatment, and you may have noticed, and Peter will give you more detail, we are focusing at the moment on the audible line markings, particularly on the sides, and increasingly on the major roads in the centre lines, and keeping the line markings up to a brightness level, whichever colour you are at, is important. There has been a lot of work done in line marking, particularly on the main highways, in the last 12 months to two years. It is noticeably different on the Midland Highway now travelling all the way up to Burnie when you get those side markings in particular. I think there are all sorts of innovations on colour, including reflective paints et cetera, and it is a matter of finding the right balance.

CHAIR - Many people have also mentioned that it would handy to have the actual speed limits painted on the road that you see in other jurisdictions. That is something Mr Todd might like to comment on.

Mr TODD - That is an issue that gets raised from time to time. The issue then is when you want to change them you have markings on the road that are difficult to manage as a maintenance issue. We believe that with the appropriate signs we can cover that issue. People need to be alert and read the signs. Putting it on the road is not necessarily going to change that. There is also the small added risk of additional paint which may have less adhesion than the normal bitumen surface - not that that is a major problem. The major issue for us is that we would rather use signs because it gives us more flexibility. If you have it painted on the road and you want to move the sign 100 metres, we then have an issue on the road. It does create some problems there. We believe that the use of signs is the most appropriate method.

Mr MARTIN - Minister, given my interest over 20 years in local government in land-use planning - it has been an area of special interest to me - this whole issue of speed limits on the Midland Highway is one of my all-time great frustrations. If that was a 110 kph highway, it should still be a 110 kph highway from Launceston's southern outlet to Bridgewater bridge if it had not been for idiotic, stupid planning decisions taken by local government.

Ms FORREST - Anyone in particular?

Mr MARTIN - Northern Midlands obviously is one example, given the two speed limits up that end. If you go back 20 years, there would have been no need for the ridiculous speed limits we are forced to have there now. There would not be any need to be building the bypass. What I am pleading is that the State, having invested a lot of taxpayers' money in building the bypass, take the appropriate action at the State level to make sure that the bypass will not be subject to land-use planning decisions of the local authority that lead to us having to build another bypass in 50 years' time.

Mr STURGES - I will pass the message on to Mayor Foster.

Laughter.

Mr MARTIN - You have the power through the State Planning Division to do this. For heaven's sake, it is just logical that this take place.

Mr McILFATRICK - Back to our overview. You may recall that one of the key issues in all of the talk about infrastructure planning was the integration of land use and infrastructure planning as being the number one objective.

Mr MARTIN - Yes. It has to be because we are just wasting money.

Ms FORREST - Where is the alcohol interlock trial headed?

Ms NICHOLLS - The alcohol interlock trial is just about coming to its conclusion. It commenced in August last year and the evaluation of that is in its final stages. We have focused on two groups in the trial. The first group were drivers who previously had a drink-driving condition which resulted in the Registrar of Motor Vehicles imposed zero blood alcohol content on their licence. Unfortunately the numbers that we ended up getting through volunteers on that trial were only down to, I think, about 17 people, despite us going out to about 280 individuals. There was unfortunately a very low take-up. The second group were participants from within DIER, including myself, either using a fleet or a private vehicle.

The trial was designed to bring about two elements: prevention of trial participants from driving with an excessive blood alcohol content. Once I get the evaluation we will be able to find out particularly how the 17 or so people who had a zero BAC on their licence fared. I understand that has been quite successful in terms of them not offending during that period. We will also try to get an understanding of how alcohol interlocks might operate in Tasmania in the future.

We have UTas as the independent researcher evaluating the trial and examining other interlock schemes that have been conducted in other jurisdictions and also internationally and out of that we hope to get some idea as to where we might go with alcohol interlocks in the future either as a sanction or as a rehabilitative measure.

Mr HARRISS - Minister, I have become aware recently of a road safety measure in Japan, as one jurisdiction, which mandates that passengers in a vehicle can be held liable and can be held for a crime, I suppose, or prosecuted or whatever in the event that it can be proven they knew of the driver taking drugs or likely to exceed the blood alcohol limit; that passengers can be prosecuted just the same as a driver. As a road safety measure, given the horrible statistics of this year, the massive number of deaths, is that something the Government would consider?

Mr STURGES - We will have a look at any sensible initiative that will keep Tasmanian drivers and visitors to Tasmania alive on our roads.

Mr HARRISS - It sounds like a sensible initiative, doesn't it?

Mr STURGES - It does. I am not aware of it.

Mr HARRISS - Clearly it is to deter passengers from getting into a vehicle when they are aware of the driver's situation. If a driver is dumb enough to drive and smash himself into a tree, at least he is not going to take others with him.

Mr STURGES - Any sensible initiative we will have a look at. The honourable member is probably well aware of legislation that has been tabled or is about to be tabled, I am sorry my memory does not serve me well, in relation to excessive speed and reckless driving where we are going to confiscate cars. We are going to extend, if you like, the hooning legislation. We are imposing stricter penalties on people who do not wear seatbelts.

So I am saying yes but just an interesting statistic too, a shocking statistic, out of all the fatalities we had on Tasmanian roads last year 35 per cent of people were not wearing their seatbelt. I have now got people saying, 'Why are you increasing the penalty?' We will do what we can and we will certainly look at any sensible initiative that is put forward.

Ms FORREST - On that point, there has been some suggestion that some of those may have been suicides.

Mr STURGES - With respect, I am not into speculating. We must leave the investigation work to the Coroner and to Tasmania Police.

Mr WILKINSON - With Paul's matter it would not only be drugs, it would be alcohol as well.

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Mr STURGES - Yes.

Mr WILKINSON - That could be extended, couldn't it.

Mr STURGES - It sounds a very sensible initiative and we are prepared to talk to the honourable member offline.

Mr HARRISS - I would have thought I am making the submission to you now.

Mr STURGES - All right, we will do some work on it.

Mr WILKINSON - As you know, courts can impose conditions upon any penalty and it would seem to me to be an appropriate penalty for those who commit offences more than once to have as a condition of their licence that they install an alcohol interlocker in their vehicle.

Mr McILFATRICK - One of the objectives of the trial is to see whether it has an impact.

Mr STURGES - That is exactly the objective and it will be user pay.

Mr WILKINSON - Sure you have to trial things but if it works you do it and it would have been disappointing to find that only 17 people put their hand up because to me that shows that they felt that they might be at risk, that if they did have a couple over the limit they still wished to get into their car and drive. I think the lack of people taking up the challenge means that it should be a condition imposed and given to the courts to impose.

Mr STURGES - I agree with you entirely - that is our objective - but also bear in mind that if you are disqualified from driving, for drink-driving, for a period 12, 18 months, two years, you do not automatically get your licence back after those two years. In fact I receive a number of letters from Tasmanians who have had their licence disqualified by a magistrate but then are required to submit to medical tests, liver function tests, et cetera -

[3.30 p.m.]

Mr WILL HODGMAN - And write letters to show that they are not going to do it again so that they can be used at a later stage if they do offend again. That is a normal

Mr STURGES - The alcohol interlock is something that we are very keen to pursue but we needed to get UTAs to give us a report, to do some research, so that when we do mandate for the use of alcohol interlocks we have an understanding of how they work, we have done costings around it.

Mr WILKINSON - What as the costings? Depending upon the car I suppose.

Ms NICHOLLS - My recollection is about \$150 a month -

Mr STURGES - We worked it out at the time to a beer a day.

Ms NICHOLLS - and that covers your installation cost to servicing costs

Mr WILKINSON - Penny was one of the guinea pigs in relation to it. Did you test it at 0.00 and then 0.05.

Ms NICHOLLS - My car was at .04 but the one that had gone through the 17 previous offenders was at zero.

Mr WILKINSON - Were there times that you got into the car where you were not able to drive it. Strictly for the sake of testing.

Laughter.

Mr NICHOLLS - Yes, I remember going to a function and having one glass of wine and thinking that the person who was serving us was not responsibly serving alcohol. It was quite a large glass of wine. I got in my vehicle and I got locked up for 30 minutes.

CHAIR - Any more on road safety? As you see Minister, this committee is offering some sterling advice to you.

Mr STURGES - And well noted. Thank you.

1.4 Registration and Licensing -

Mr WILKINSON - There is not a great lot to this but in Table 6.4 the percentage of vehicles checked and found to be unregistered was at .86 in 07-08 which was a reasonable increase to the previous year. Can I ask how we are tracking this year?

Mr STURGES - I do not have the Table, but if it has increased take credit for the automatic number plate recognition system. I went out the other day with a couple of officers from Transport and I was shocked and quite disappointed as we were mobile, and I will not say whereabouts in Hobart we were driving, to see the number of unregistered cars. There was a truck that went past us that had a default notice on it. This is all in the space of half an hour. Two unlicensed drivers because AMPR tells you all that.

Ms FORREST - As long as that driver was driving. You would have to follow that through wouldn't you. That is not automatically the person in the car.

Mr McILFATRICK - It makes an assumption of the driver.

Mr STURGES - The registered owner of the vehicle is unlicensed so we are assuming that the registered owner was driving the vehicle.

Mr McILFATRICK - This used to be a lot higher figure. It used to be about 3 per cent and so there was a big push on to it and then we reached, as you do in most things, a plateau. I think this year was about 0.87 so it is about the same as last year but we are now implementing the automatic number plate software. I admit the motor registry system gave a few hiccups when I first took over the department but now we have got a new system and we have got a very good tracking system. We won't even have to use it for fining drivers but for identifying unregistered vehicles, sending them a reminder notice because they may have just forgotten and then re-issuing and getting that money in the door which gives them motor insurance protection and gives us a registration revenue. We have got just about a permanent camera on the road. We have another three cameras in the regions that the transport inspectors, in conjunction with the heavy vehicle monitoring, but that can be linked back in to look at light vehicles. As the minister said, we have

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both been out and in the one day I went out on the Brooker Highway we identified 400 vehicles in that hour.

Ms FORREST - That were not registered.

Mr McILFATRICK - No, 400 vehicles were identified and about eight of those were unregistered. So that was in one hour.

Mr WILKINSON - Those registrations. Have they been unregistered for a significant period of time or a week or -

Mr McILFATRICK - I did not pick that up but generally if they have been unregistered for up to three months they retain their plates. As we came back to the office, there was a Tasmania Police officer removing the number plates of an unregistered vehicle at the front of our building because if the vehicle is unregistered for more than three months they will remove the plates.

Mr STURGES - The officer I went out with, who is pretty well permanently on the road all around the State, indicated that when he detects an unregistered vehicle; he goes back and interrogates the data and then sends out a very courteous letter to the owner of the vehicle advising that they have been detected on a Tasmanian road unregistered. I am advised that there is a more than 80 per cent take up for that vehicle to be registered within 48 hours. So, on a lot of occasions it is quite a genuine oversight on the part of the motorist. That is good for us because we get the revenue; they are also then insured through MAIB because it is very important to note that if you are driving an unregistered vehicle there is no MAIB insurance.

Mr WILKINSON - That was going to be my question. In relation to fatalities on the roads, have you any statistics as to how many of the vehicles that were involved in fatalities were unregistered?

Ms NICHOLLS - Yes, we have those figures.

Mr McILFATRICK - Serious crashes; we could certainly get a break down of those, and fatalities, and the type of drivers.

Mr WILKINSON - Yes please.

Mr McILFATRICK - In relation to the plateau, we have come a long way but the number plate recognition will take us to the next step. In terms of revenue, I can justify having a person on the road doing it full time because one per cent represents \$2.8 million in revenue so 0.1 per cent, which is our target represents \$280 000. One person will generate that on their own and I do not pay them \$280 000 to do the job so it is a good efficiency and revenue collection measure.

Mr WILKINSON - In relation to registration of vehicles, is there a certain age where vehicles have to go over the pits to ensure that they are in proper working order and, if so, how is that tracking?

Mr STURGES - I am advised that if an old vehicle has been out of registration for three months or more they do have to go over the pits. I want to stress that I have been out on site with the transport inspectors and I want to place on record my absolute commendation for the work that they do out there, not only with heavy vehicles but also with light vehicles. They are very

highly trained people; they have got some quite fantastic equipment that they use. I do not know the name of the trailer that they use to put cars on. Those sort of random, on-the-spot checks are more effective than annual vehicle checks where, for example, - and I am not suggesting you would do it, member - but some people might deliberately change wheels so that they have got tyres with tread on. There is nothing to say that within a couple of days brakes may fail, the steering rod might go, all that sort of stuff. Out there on the road, undertaking these random inspections is far more effective than annual checks. We remain to be convinced that that is not a better way. I know we have budgetary constraints but I want to ramp up on what the transport inspectors do. They do a fantastic job out there on the road every day and every night.

Mr WILKINSON - How many vehicles were tested over the last year in relation to that and can you give us some statistics?

Mr STURGES - I am sure we would have those statistics and we can provide them to you. Do you want heavy vehicles and light vehicles?

Mr WILKINSON - Yes, might as well.

Mr McILFATRICK - It is more likely that we would be doing heavy vehicles and police would be doing light.

Mr STURGES - I have got a great level of respect for the professionalism and capability of the transport inspectors. They do a lot of joint operations with Tas Police. It is very effective. Police are very welcoming of doing these joint operations because of the high level of mechanical expertise these inspectors have.

CHAIR - On that note, Minister, I might add that Mr Wilkinson does not drive a car any more. He has a Sandy Bay tractor -

Laughter.

The committee suspended from 3.40 p.m. to 3.59 p.m.

CHAIR - We will now resume the sitting.

1.5 Vehicle operations -

Mr HARRISS - Minister, I am looking at page 6.9 about standards, dimensions and mass limits. There is a matter regarding road safety, particularly for heavy vehicles, and my understanding is that it is not so much the mass of any heavy vehicle which causes difficulties with regard to safety it is over-dimensional loads. I further understand that elsewhere in the world, and probably somewhere in Australia, there is an advanced system of GPS tracking so that the weights and dimensions are locked into the system. The truckies might not be too happy with the cost of fitting the system but I think they are happy with the system itself. Is that another significant road safety measure that could be considered for introduction to Tasmania?

Mr STURGES - It is something that we are pursuing with a fair deal of vigour. I do not even need to refer to my notes on this. I can advise the honourable member that through the

Australian Transport Council, of which I am a member, there are a number of subcommittees and one of the subcommittees is the Strategic Research and Technology Committee. We have the honour of coordinating and chairing that committee for the ATC. We are well advanced at looking at, what they call, IAP - intelligent access programming systems, to install in buses and trucks.

I mentioned earlier this morning that through the bus contracts we are looking at and mandating IAP for school buses. We have actually allocated about \$400 000 in this year's Budget to move in that direction through the Strategic Research and Technology Committee, which is representative of all the States. We are also very keen to pursue this in heavy vehicles. We also have in Tasmania the HTSAC, the Heavy Truck Safety Advisory Council, which involves the vast majority of our key road transport operators and they are very much aware of the potential of such a system and are very supportive of it. I have had very tentative informal talks at the Federal level and I have been advocating that Tasmania would be a great place - where we have a captive audience - to trial such an initiative.

In answer to your question, I think it is something that will inevitably be mandated but we just need to get all our ducks in a row.

CHAIR - Anything else on vehicle operations. If not we will move on.

1.6 Traffic management and engineering services -

CHAIR - I have a question about wire rope barriers but I am not sure whether it falls into this output?

Mr McILFATRICK - It does as an engineering issue.

Mr STURGES - It is really road safety but we are happy to talk about it in any output group.

CHAIR - I do not want to go into it in any great detail. Obviously there has been quite a bit more done on our national highway system with them. Concerns have been raised by motorcyclists and all that sort of thing; where are you at with that? On the national highway system, is that something that the State has to fund or does the Federal Government fund?

Mr STURGES - We spoke at length about the road safety levy so I will not go into that but one decision we did take when we had parliamentary approval for that levy is that we would not discriminate on whether it is a local government road, a State road or a Federal road. Where we believe we can invest that money to achieve best practice infrastructure to minimise and ameliorate the impacts of road crashes, we have been rolling out that sort of infrastructure. In fact I think it is about \$120 000 a kilometre?

Mr TODD - Of that order, yes.

Mr STURGES - Depending on the typography of course it is an average of about \$120 000 per kilometre to roll out flexible safety barriers. We have an extensive amount throughout the State and I am sure the honourable member as he is travelling around is observing that.

In relation to motorcyclists we acknowledge that they do have concern. Again, at the risk of appearing to be insensitive, we are about minimising the impact of crashes. We are working on

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trailing stack cushions - it is not a good name and I think we should find a better name - which are basically like big polystyrene neck braces that go around the poles. We are trialing them at the Mornington intersection.

Mr TODD - They are in there.

Mr STURGES - We are going to trial and evaluate them and we are doing that in conjunction with the Motorcycle Riders Council. Also in relation to minimising the impact of crashes when motorcyclists come off we have introduced what is called 'rub rail'. If you travel the Tasman Highway at Grasstree Hill up around Scottsdale -

Mr TODD - It fits on the W-beam.

Mr STURGES - Yes, or the Armco railing as we laypeople call them. That is lower tensile steel so that when the motorcyclist comes off and hits it, it absorbs the impact of the crash. We are rolling out best practice infrastructure and also doing our best to take into consideration concerns off the motorcycle riding fraternity in this State.

Mr McILFATRICK - That is retro-fitting. When we go to the design of a new highway, particularly if it is not a divided highway, we are also looking at the opportunity to put the rail down the centre line in areas where it would effectively take away the head-on crash risk. The next one we will be looking at will be in Kingston. A significant portion of Kingston bypass will have central-line rails.

CHAIR - I have noticed near Travellers Rest near Launceston - to get back up in the north again because we seem to be talking about projects in the south so I would like to move back up to the productive end of the State -

Mr McILFATRICK - Well not too many years ago it would have been the opposite; all the work would have been going on up north.

Mr STURGES - East Tamar Highway, Sisters Hill, Lakes Road - do you want me to go on?

CHAIR - I know the Lakes Road is an exemplary example.

Mr STURGES - I know the Chair was intrinsically involved in ensuring that happened, and the stock underpass.

CHAIR - Yes, that is where that wildlife get under.

Mr STURGES - Yes, the big four-legged wildlife.

Laughter.

CHAIR - Near Travellers Rest there was a particularly large gap dividing the two lots of road. A lot of people asked why we need wire rope barriers there.

Mr TODD - It eliminates that opportunity for a vehicle to cross onto the other side of the road. Yes, that might be a place where we already have a divided area we can put the barrier in and it basically eliminates the possibility of a head-on crash.

CHAIR - There seems to be such a wide distance between traffic going in opposite directions.

Mr TODD - In an ideal world all of our roads would have the separation and a barrier. As the secretary indicated we are now putting this on new roads projects. In the north, Dilston bypass will be separated by a barrier. In the Kingston bypass we are planning to put a barrier right through the project so there is no opportunity for vehicles to have that head-on crash - using a painted median, 1.6 metres, with a barrier on it. This is our philosophy in a safe-systems approach. We might get a few more crashes but they are going to be low-consequence crashes and we are going to significantly reduce the number of fatalities and significant injuries by this type of design. You may have already seen the interchange at the Batman-East Tamar junction, where we have grade separation. We have now put in a centre barrier because that is part of the new safe-systems philosophy .

Mr STURGES - From the laypersons point of view, when we first started rolling out the flexible safety barriers I received representation to my office from people complaining about the need to put wire rope barrier on the Southern Outlet. As you well know the vast majority of crashes in this State, and serious casualty crashes, are single-vehicle run-off-road crashes. So how do we know they are working on the Southern Outlet? Because we have had to go down there and replace a fair bit of it. We are catching cars at a rapid rate with the flexible barrier, and not just on the Southern Outlet but on quite a number of our Tasmanian roads.

Ms FORREST - Looking at traffic management engineering solutions, one of the areas identified as needing a bit of a solution is the Bass Highway around the back of Wynyard. You have about four intersections coming onto the Bass Highway there, single carriageway all the way, slow sweeping bends most of the way, grass on the side that grows very quickly in our nice rainfall area up there. There have been a number of suggestions about possible solutions here. We have had a number of fatal and serious crashes, particularly on those intersections more than anywhere. A roundabout was put in at the Mount Hicks intersection and that certainly had an impact in reducing crashes on that intersection. So what are the plans for the rest because it really is a dangerous stretch?

Mr TODD - We are conscious of a number of intersections along there. The Waratah-Wynyard Council has indicated that they would be interested in reducing the number. You may be aware of some of the difficulties in closing intersections but that is something that we would like to work on. We have done work in that area between Somerset through to Calder Road. We have done a project there with shoulder sealing. We did have a number of crashes and fatalities on that section between Somerset and the Doctors Rocks corner, so we have done shoulder sealing and safety barriers through that area. We are continuing to look at that section through there and we would be interested to reduce the number intersections. That is always something that we need to work with the local community on.

Ms FORREST - We need passing lanes somewhere along that section as well. Once you get to Cooee, there is nothing between Burnie until you get to Flowerdale. There is a lot of traffic, particularly trucks out of Circular Head and a lot of school buses, as well as commuter traffic, so what are we looking at as a time frame here?

Mr TODD - We do not have a committed time frame. It is something that we have had initial discussions with council on but there are no plans at this stage for any overtaking lanes.

Ms FORREST - Very disappointing. The reduction of the number of intersections is another priority, though?

Mr TODD - Yes.

Ms FORREST - I know that people do not like getting rid of intersections but there are four and I don't think they would even be over two kilometres.

1.7 Passenger transport -

[4.15 p.m.]

Mr MARTIN - Minister, in corresponding Estimates last year you confirmed that the core passenger transport review was complete and already being rolled out in the form of the new plan. Therefore I am a little bit surprised to see in the footnotes that the reduction in budget in the next four years has been blamed on the completion of the core passenger services review.

Mr McILFATRICK - We have done the work on the core passenger review so we do not need a forward budget for it. That is where the reduction in the budget comes from. We had allocated money for that review.

Mr MARTIN - Last year you said the same thing, that that was the reason for the budget decrease last year.

Mr STURGES - It has been a work in progress.

Mr MARTIN - So it was not fully completed last year?

Mr McILFATRICK - The study was complete but it still had to be implemented.

Mr STURGES - It is probably semantics, but what I indicated last year was that the three-and-a-half year review had been completed, that government had picked up and adopted the recommendations within the review, that on 1 July last year - and again this is from memory; if the member wants a full breakdown I can get it for him - we introduced the new school bus contract arrangements. The Tasmanian Bus Operators Association, the private bus operators associations, are rapt with what is happening as a result of those arrangements; there are over 200 new or newer buses in the school bus fleet and the private general-access fleet. I did not intentionally try to mislead the member last year, but I meant that the review had been completed and we are in the process now of implementing the recommendations of the review.

Mr MARTIN - The budget reduces fairly substantially over the next three years. I understand only a few of the review's 11 pages of recommendations have been implemented to date. How will further progress be possible with the proposed reductions in funding, especially from 2010-11 onwards? Is there enough money?

Mr STURGES - David Peters, the deputy secretary of the department and also in charge of passenger transport, is at the table now and I will defer to him to respond to that.

Mr PETERS - The review has been in the implementation phase for the last 18 months and that will continue in this current year. There is funding of \$1 million for the implementation and a

small amount of funding in 2010-11 of \$250 000 as it implements each of the phases of the review. Quite a bit has already been done. The new fare schedules are in, the new contracts are now all signed up. We are now going through service development and also there will be the Intelligent Access Program factors.

Mr STURGES - If I could just pick up on that service development requirement which is a key component of the review. The service development requirements within the contracts are, in my opinion, critical. All operators providing a general-access service are required to submit, as part of their contractual arrangements, service development plans to the department within the first 12 months of their contract. That is all about enhancing service; looking at weekend services and engaging with the local communities they service - whether that is the Huon, the east coast, the north-west coast - so that they can come back to us as part of the contract and tell us what they are proposing to do to meet reasonable community expectations. Mr Peters might care to elaborate on that. It is quite exciting; I was down at Richmond on Sunday afternoon, dealing with another matter at a community meeting, and people were talking to me then about their desire in relation to enhanced bus services out of that area. I was able to tell them that TassieLink, a great private bus operator, is very keen to engage with the community as they develop their service development plan. They are going to put in a submission, but Mr Peters might give a bit more information around that.

Mr PETERS - The new contracts are performance based and there are incentives in them for operators to improve the efficiency of their service, develop service plans but respond to the changing needs of the communities in which they operate and also to upgrade their bus capital. As the minister mentioned earlier, that incentive has been taken up quite rapidly this year. In fact, at a far greater rate than any of us anticipated, with the number of new or newer buses they have bought.

Mr McILFATRICK - Our estimate is that the average age of the bus fleet has come down from 22 to 16.6 years since June last year because of that reinvestment. That is a significant safety improvement.

Mr STURGES - Can I just say that we are not suggesting that the older buses are unsafe because there is a very rigorous regime under which buses are inspected to ensure that they are safety compliant at all times.

Mr MARTIN - From a performance-monitoring point of view, there are a lot of recommendations in the review. How is it possible for us to monitor progress in the implementation of all of the recommendations? Is it possible to put it on the web site?

Mr PETERS - There will be, if you like, a review of the implementation of the review. We are not quite at the stage where it would make sense to do that yet. However as far as a progress report is concerned, we can certainly say what has been done because quite a few of the recommendations are already in place and have been for some time.

Mr MARTIN - Is it possible to get just a 'yes' or 'no' as to whether the recommendations have been implemented or partially implemented?

Mr McILFATRICK - There will be an implementation report, then there will be a performance review of whether those implementations work. It is a little bit early to be looking at the performance because we are still in the implementation phase. So I would say, at a minimum,

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we would want to see a full school year go by before we looked at that. So the end of this financial year would be a good target for the next session.

Mr STURGES - If the member has any specific questions that he would like to put on notice we would be happy to have a look at those issues and respond to him.

Mr MARTIN - It is just a general question to make sure that the recommendations are being implemented. So I would be happy to wait for that.

Mr STURGES - Okay.

Mr MARTIN - Minister, in the GBE Estimates you mentioned that there was \$280 000 devoted to the study of urban transport. The study was mainly focussed on the rail corridor in the northern suburbs of Hobart.

Mr STURGES - There was a focus on the rail corridor, yes, but it was not the main focus. Light rail is an issue and it was the original focus. It certainly is a predominant focus but there is a lot more going on in this urban transport review, which is nearly complete.

Mr MARTIN - When will it be complete?

Mr PETERS - Very shortly. We expect the outcomes to be known in late July or early August.

Mr MARTIN - Will it be released straight away?

Mr STURGES - Yes. As soon as we can, we want to share it with the public and with the members here because this is about us gathering appropriate data on which to make decisions for the future regarding the provision of passenger transport arrangements in this State. In particular it is going to help us in the southern area and then we will move into other areas. We are a transparent, open, and connected Government.

Mr MARTIN - That is good. I look forward to seeing that. But there are some alarm bells ringing. The former Premier originally promised a report about the rail corridor.

Mr STURGES - Light rail will be included in the assessment. However we have expanded it. In fact some of the money that has been contributed to this review comes from the Office of Climate Change. We decided that it was prudent and appropriate to have a more expansive assessment of urban transport needs. Part of this involves the travel demand survey.

Mr PETERS - There has certainly been a survey carried out of travel demand measures not only the transport options that could be implemented, but also what the people of Hobart want to do with their travel. The options are being developed from that, rather than just working on modes of transport.

Mr McILFATRICK - It includes travel demand measures - so that is the broad community needs of about 2 500 respondents - and a model for how that might be achieved, how we might get efficient transport. Light rail, northern suburbs, Hobart to CBD and the university. So, the Derwent ferries.

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Mr MARTIN - And the light rail is not this one paragraph -

Mr McILFATRICK - No, there are five independent consultancies being done and light rail is one of the five key consultancies.

Mr STURGES - Can I read to you from my brief and I will get it on the public record? It is only very brief but it will make the honourable member relaxed.

The study comprised five major projects and has largely been undertaken by independent consultants. Travel demand measures; integrated review of transport issues across Hobart; travel demand model to assist in assessing the likely impact of different initiatives; light rail: northern suburbs to Hobart, CBD and university; Derwent River ferries; walking and cycling strategy. The Government will consider the recommendations of the study and develop a response framework that identifies immediate and longer-term projects. So it is certainly on the road up.

CHAIR - He is relaxed.

Mr STURGES - So am I because this is something I am very keen to pursue for the northern suburbs of Hobart too, I make no bones about that.

Mr WILKINSON - That is good news. In relation to cycleways, which interests me as well, my view is that each new subdivision should have a cycleway in it. Is that going to occur?

Mr STURGES - This is all subject to planning arrangements but certainly Government is very keen to promote alternative means of transport. I think we have demonstrated this through work that has been done with local government in relation to cycleways, work that we have money allocated for in the Budget in relation to the Tasman Bridge to make that more cycle friendly with a ramp at the western end and better approaches on the eastern end.

Mr WILKINSON - The Tasman Bridge cycleway is atrocious. You have to be brave ride a bike over there. I say that because people come both ways. Elite sportsmen, elite cyclists have come off with broken collar bones, you name it. It is atrocious.

Mr STURGES - We cannot add any more to the bridge and the Manager, Roads and Traffic, will tell you why, from an engineering perspective. I kid you not, we even looked at putting a cycleway under the bridge.

Mr WILKINSON - Like in Brisbane?

Mr STURGES - But I might get Mr Todd, the Manager of Roads and Traffic, with his engineering expertise, to explain to you what we are doing.

Mr WILKINSON - Another bike rider?

Mr TODD - Yes, a bike rider.

Mr STURGES - We are certainly doing all we can to make the Tasman Bridge and its approaches, access and egress, more cycle friendly. There are some things that we are doing that we committed to do in this Budget.

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Mr TODD - Thank you, Minister. The Government has committed to converting the stairs on the western end to a ramp, so that will allow cyclists to use that. We also have a project to recess the fire hydrants back into the fence so they will become less of a hazard, and to connect pathways on the City of Clarence end as well.

We have been approached a number of times about other options for the bridge. Without going back into the history of the bridge, suffice to say the paths used to be inside where the roadway is now and most members would remember that. When they were moved up onto the outside, we had to then strengthen the beams on the outside of the bridge with post tensioning. Those beams are basically at capacity. We cannot add any more real load to that. We cannot hang anything under the bridge for two key reasons. One is the additional load - not the weight of the cyclists but the dead load of the structure, and the second is that we will interfere with shipping and ships will not be able to get under the bridge.

To do anything significant we would be looking at multiples of tens of millions of dollars. So it is not really viable. We recognise it is a constrained, difficult environment, but we are working with what we can within that environment. We have done a lot of things over the years to remove hazards but we have done what we can within that space. It is just not realistic to add substantially to the structure.

Mr WILKINSON - One of the areas of danger, I believe, is where you have both pedestrians and bike riders going in opposite direction in the one area. I just wonder whether people going across the bridge can be restricted to one side and people going the other way restricted to the other side, which would be a bit of an improvement.

[4.30 p.m.]

Mr TODD - We have looked at that. One of the issues is that people choose which side of the bridge to use, depending on the prevailing wind and which side of the bridge they are going. We do not really think that is a viable option. My experience, having walked, run and cycled over the bridge, is that most people are courteous. Like any other piece of infrastructure, we have to use it in accordance with those conditions, and I find most people are. In a difficult environment we do what we can within the constraints of what we have.

Mr WILKINSON - But do you believe that if there were a one-way travelling either side it would be an improvement?

Mr TODD - I am not sure that necessarily that would make a great deal of difference.

Mr WILKINSON - What happens if you have two bikes going in different directions?

Mr TODD - We do have an advisory speed of 15 kph on the bridge.

Mr WILKINSON - It makes no difference, especially if you are clipped in.

Mr TODD - But people need to slow down and stop and one passes. People do that now, and I just think that is all we can do.

Mr WILKINSON - We would not have that, though, if it was one way each way.

CHAIR - Yes, I tend to agree with Mr Wilkinson, being one of two honourable members who walk up to the top of the bridge most mornings and back, and being a cyclist myself and giving way to those cyclists. And, as Mr Todd well knows, with your feet clipped in it can be a dodgy affair.

Mr STURGES - Well, to the Chair, that might explain your pace when I see you walking back, if you are doing all that ducking and weaving on the bridge, because you are not moving too quickly when I see you going over.

Laughter.

Ms FORREST - Very nasty.

CHAIR - Order.

Laughter.

CHAIR - Could I say it is only because I have to slow down for Mr Finch.

Laughter.

Mr STURGES - I was going to say it might be the honourable member for Rosevears who is holding you up.

CHAIR - Yes, it is.

Mr STURGES - I do observe the honourable member on the odd morning while they are on a leisurely stroll.

CHAIR - I think we will move on to the next subject. Having finished with 1.7, we will move on to output group 6, Transport subsidies and concessions.

Output group 6
Transport subsidies and concessions

6.1 Bruny Island Ferry Service -

Mr HARRISS - There are growing requests, and you would be aware of them, from people on the island, permanent residents in particular, about the peak time difficulties with getting onto and off the ferry because of the lines on both sides at Kettering and at Roberts Point. Has there been any study done or evaluation made of the possibility of augmenting the service, if for no other times than peak times, and I cite particularly Easter and Christmas? And not just for the residents, but in terms of tourism attraction and also emergency evacuation from the island.

Mr STURGES - This is a serious issue and I am not deflecting from the question, but we have the Kettering precinct study happening now with the Kingborough Council which we are tipping considerable funds into. We believe that needs to be an approach from both parties. Mr Peters is probably best placed to talk to you now about the issue of augmenting the service at peak times; I am aware that it is an issue.

Mr PETERS - It is a difficult one, because more than 75 per cent of the sailings of the ferry are not full, but there is no doubt that during peak holiday periods there is considerable queuing going on. The analysis done in 2007 by GHT concluded that a second dedicated vessel cannot be justified for the few days of the year where queuing is significant. The operator is continuing to look at ways to increase capacity through additional sailings, but any expansion of the timetable would require an additional full crew. He is also looking at community views on matters such as a residents' priority lane, or other approaches to improving access for those most dependent on the service.

Mr STURGES - To supplement that, during peak periods the ferry does operate a continuous shuttle service.

Mr HARRISS - And yet even against that there is still the queuing. So, immediate solution? Are there any ferries sitting around in close proximity, the old ones, that can be whipped back into shape.

Mr STURGES - I do not want to make light of this; I understand it is a significant issue for people living on the island. The Government owns the infrastructure at Kettering and on Bruny Island. Government provides a \$640 000 to the operator but it is operated on a commercial basis and I would suggest to the member that the ferry operator has the option at those peak times to look at other alternatives to run. We do not want to make light of it. We have done analysis. I know this is not going to get the traffic over D'Entrecasteaux quicker but we are looking at parking arrangements, queuing arrangements at the Kettering end, we are looking at a whole range of things to make the travel easier. But I did say earlier that we are facing quite a challenging financial time ahead and with respect to those residents on Bruny Island and those who enjoy the beautiful serenity of having a holiday home on the island, the Government does not have plans to fund or augment ferry services at peak times. The commercial operator certainly does have capacity to do so if the business case stacks up that way or business demand stacks up that way.

6.2 Furneaux Shipping Contract -

Ms FORREST - Just a couple of quick ones there, Chair. I understand there had been an outstanding account with the Furneaux shipping provider. Has this been settled? That was for the extra services being provided to Cape Barren Island in excess to their contract, I understand.

Mr STURGES - That is a matter, with respect, that you would need to take up with TasPorts. I am not trying to deflect the question but it is a commercial matter between TasPorts Corporation and the provider of shipping services to the Furneaux group.

Mr McILFATRICK - Our relationship is that we pay for a baseline weekly service.

Ms FORREST - Weekly to Flinders Island, two weekly to Cape Barren.

Mr McILFATRICK - No, monthly to Cape Barren. That was on the basis of a safety net because when you go to the market and there is not a commercial provider then the Government has a need to provide a standard service.

On King Island, for instance, there is a commercial service so our funds are held in reserve in case we get a failure of that but our ideal situation when the review period ends which is, I think, 2012 would be that there would be other commercial operators who stepped into that opportunity.

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We are already seeing some commercial operations there but at the moment Southern Shipping is contracted to provide that weekly service. Some of the issues that have been raised with us locally have been about the shipping service so we have put a panel together on the island to look at issues and we have committed -

Mr STURGES - Both the Secretary and I have visited the island, met with the mayor and met with TFGA. I know this is not directly in answer to your question but it is important for you to know that we have got a very serious involvement in ensuring that we get -

Ms FORREST - Can I clarify a point? With King Island you have a contingency plan. The money just sits there in case there is a problem with that service and then the Government has an obligation to provide that service. I understand it has not been called on for as long as I can remember -

Mr McILFATRICK - Not since the late 1990s.

Ms FORREST - If that money is not spent it sits there basically.

Mr McILFATRICK - Well we don't get it. There is a contingency.

Ms FORREST - The same is not the case with the Furneaux shipping contract.

Mr McILFATRICK - No, that is paid on a six-monthly basis at, I think, a contracted rate assessed at about \$240 000 a year.

Ms FORREST - So the onus then falls to the contractor if they have a failure of their service to provide another service. We had a situation last year where, as the member for Apsley so eloquently put in her speech, the livestock were waiting on the island to go to the abattoirs and could not get off the island. That was obviously a concern - not perhaps for the animals, had they known what their fate was to be!

Mr McILFATRICK - So there is a relationship between the freight forwarders and the shipping service. We have a relationship with the shipping service to provide a weekly service.

Ms FORREST - So, if there was a failure of that service the Government would then -

Mr McILFATRICK - We would need to find another operator.

Ms FORREST - Would they be outside their contractual arrangement?

Mr McILFATRICK - They would be in breach.

Ms FORREST - And you would deal with that appropriately.

Mr McILFATRICK - Yes.

Mr STURGES - In accordance with the terms of the contract, yes.

Mr McILFATRICK - Like any contract, there are mechanisms where the contract can be enforced by either party.

Ms FORREST - Do you believe that the Furneaux Group is getting value for money with the current contract?

Mr STURGES - The current contractor is meeting the terms of the contract and that is to provide a weekly service as a minimum to Flinders and a monthly service to the Furneaux Group. I am mindful of some issues that have been raised by residents of Flinders Island, by the TFGA representative on Flinders Island, by the mayor and councillors on Flinders Island; we have actually set up a shipping committee that involves council, TFGA, a representative from the aboriginal community -

Ms FORREST - When was that established?

Mr STURGES - The latter part of last year or early this year, from memory. This all came about as a result of issues that had been raised. There is a formal process now where matters can be raised in relation to timeliness and quality of shipping service that will be recorded on a database.

Ms FORREST - This is in relation to Flinders Island and Furneaux Group?

Mr STURGES - Flinders and Furneaux Group, yes, that is what we are talking about. That is an area where there has been some significant concern raised so we went over there, the secretary and I, very early this year in January. I think it was record heat on the island that day of about 44 degrees and we were on a small plane going across.

Ms FORREST - Beautiful, aren't they?

Laughter.

Mr STURGES - We have also had senior officials from the department over on the island last year as this issue ramped up. You might recollect, given the drought circumstances on the island, there was a backlog of getting livestock off the island and there was some major concerns about capacity. As well as recognising that we have a minimum standard service contract, we are also very mindful of ensuring that we listen to the islanders and do what we can to assist with their concerns.

6.4 CSO: Payment to Metro Tasmania Pty Ltd -

Mr MARTIN - With the exception of public housing, or lack thereof, as a member I probably get more complaints about not having enough buses than any other thing. When we talked to Metro, and when you look at the budget papers it says that the increase in funding over the next few years is due to increased demand for and cost of services. You have spoken a lot today about the things that relate to climate change and you are encouraging all people into public transport and so on; bus lanes, et cetera, all of which I support. But going back to GBE Estimates when we sat down across the table from Metro and we raised concerns about after hours services and kids not being able to get home from university after 7 p.m. and all those sorts of issues, and I know you cannot have a bus everywhere but it is an essential service and we are encouraging people to use buses rather than cars and it is a saving to the taxpayer by not having to build an extra lane on the Brooker Highway and so on. Yet, if you look at this Budget, over the next few years, a four per cent increase this year or a bit under, CPI will be two per cent, according to

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Treasury, in the years after that it is projected to be one per cent increases. There is already increased demand. Metro are not meeting the demand now. This does not quite add up. I agree with your strategic approach to get more people on buses, but Metro are going to need more money.

Mr STURGES - Yes and there are options to get more money.

[4.45 p.m.]

Mr MARTIN - What, passenger fares going up?

Mr STURGES - There are options to get more money but, bear in mind, this Government provides - and I stand to be corrected on this - around \$70 million for passenger transport concessions and subsidies so we are not tardy in our response to the need to provide passenger transport services. We can talk more about this at the Metro GBE hearing, of course, but what Metro are doing -

Mr MARTIN - Every year we talk to Metro and they say it comes back to what is here.

Mr STURGES - That is what I am saying, Metro are chartered to operate in a commercial way. We acknowledge that from a government perspective we are not imposing the full GPOC fare increase. We think that would be unreasonable and harsh and certainly would not encourage people to use buses.

Mr MARTIN - No, it is self-defeating.

Mr STURGES - Absolutely. We are providing what we believe is a fair and reasonable subsidy for all bus users because even though of us that use the Metro service and pay full adult fare are not paying full cost recovery for the journey. We will continue to provide generous subsidies to students and health-care card holders - the battlers in our community, if I may say, and I will get on to the commercial side of Metro in a minute.

Metro have been conducting some exhaustive reviews in Launceston, on the eastern shore of Hobart recently and I have to say that we have to tweak up the outcome of that review. There are some areas that do need to be addressed and Metro are assuring me that they will address it. But from a government perspective what I will say - and please bear in mind I do not want any headlines saying that there is going to be massive bus fare increases because we have said we will continue to heavily subsidise bus fares in this State - is that we will continue not to seek full cost recovery but Metro need to step up to the plate and start sharpening their commercial focus, and I make no apologies for saying that. I will leave it at that.

Mr MARTIN - How do they that?

Mr STURGES - Through their board, through their CEO and through looking at the appropriateness and relevance of service.

Mr MARTIN - That is my problem. If you ask the company to do that on private enterprise guidelines they would cut out unprofitable services and unprofitable runs and this, to me, is an essential service in a lot of cases.

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Mr STURGES - I agree with you entirely. Let me give you an example in our electorate which will bring things home to you. There were, up until 12 months ago, eight Doorstopper services circling Chigwell and it is now down to four. Initially residents in the area were quite outraged. They have now come to accept that the Doorstopper is going around four times a day. With respect, you cannot have a bus running around the suburbs with one person on it. I understand it is a community service and we have an obligation to provide a community service but we must apply the test of reasonability. I receive petitions to put buses back in place -

Mr MARTIN - West Moonah, for example?

Mr STURGES - I will not go into the area - and I go to Metro and they give me the statistics, because they are required to keep statistics before they do anything in relation to variation of service, and I find that very limited numbers of people patronise the buses. The message I want to give is that the Government will continue to heavily subsidise and provide community service obligation to Metro. We will continue to do that. I make no bones about that.

Metro need to sharpen their commercial focus and in doing that they need to have a look at the appropriateness of services that they are providing and the times of services that they are providing, and they are doing that. Most of it they are getting right; some of it they need to revisit and tweak up. Lindisfarne is a classic example and that will be fixed. We have received concerns from residents there about the need to have a transit arrangement on the East Derwent Highway and that is not considered acceptable for elderly residents wanting to go over to the doctors at Eastlands or shop at Eastlands and what have you. We are genuine about trying to provide reasonable, accessible and affordable bus services in Tasmania. The core passenger service review looks at providing enhanced services in regional and rural Tasmania. We will continue to prop up those services and we will also continue to heavily subsidise Metro through community service obligations but Metro does have an obligation to review and enhance their services and an obligation to sharpen their commercial edge in certain areas, but that does not mean whacking the battlers.

Mr McILFATRICK - One of the areas that I think they recognise - and I have spoken to Metro - where there is a huge opportunity is to increase carriage of the full-fare-paying passenger, the passenger who could choose to get to work by car or other means. A couple of ways of doing that are through the investment in their bus fleet, service provision and more modernised ticketing system. All of those things they have put in place over the last few years will start to have an impact. We are reinforcing their ability to do that by thinking about bus lanes and park-and-ride and all of those other things. If you combine infrastructure provision and modification with a growing concern about climate change and other things, even though Hobart does not have a huge congestion problem there still is more congestion than there used to be, through the passenger demand, the travel demand studies, we can see the potential for a growth in passenger numbers into those more non-concession fare payers.

Mr MARTIN - What happens to the concession payers?

Mr McILFATRICK - They continue to get the concession. What I am saying is that if we get a full-fare-paying passenger on the bus, as well as carrying all the concession passengers, we make Metro more profitable therefore they can return more of that money into improving services. It is not all about providing a concession; the concession is a CSO to the person who cannot afford the full fare.

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Mr STURGES - But bear in mind - I want to stress again - this Government is not about whacking the battler. We are about trying to enhance access to transport, but it is all about getting it right. There is a dedicated team at Metro that is working its way around the State now undertaking comprehensive reviews of the routes that the buses take, the times the buses are servicing. We will continue to provide generous community service financial support to Metro to do their job but we are also asking them to look at how they might be able to tweak their business.

Mr MARTIN - I will watch with interest but I have to say that any time I hear talk about a company sharpening their commercial edge it normally means the battler gets hurt. I do not for one minute dispute your desire for that not to happen but it is inevitable.

Mr STURGES - No, not at all. With respect, there was a bus service - and I do not want to go into specific details - in the southern area of Hobart and that was withdrawn because effectively the patronage was non-existent. So we worked with a very small group of people who needed help to look at alternative options to meet their needs, and in the main we have done that. There are other community transport options.

Mr MARTIN - The one I know about is Daylesford Road, for example, that those people will be disadvantaged, will they not?

Mr STURGES - Not necessarily. I would have liked the Glenorchy City Council to have agreed to put a turning circle under the transmission lines in Ripley Road - I think it is Purdie Street that you are referring to -

Mr MARTIN - You cannot expect local government to pick up the cost for that, though.

Mr STURGES - Well, it is a local government road and local government wants passenger services. We provide them. We just wanted it so that they could turn around on a vacant block - and they have come back with a quote for \$84 500. Now what the residents have to do is walk about 500 metres to a bus stop.

Mr MARTIN - Yes, but you cannot blame local government for that.

Mr STURGES - I have walked it and I will come and walk it with you. I am disappointed, but again we could not compromise safety with buses turning around in that cul-de-sac in Purdy Street or in Ripley Road. We have taken buses up there to see whether they can turn unimpeded and they can't. It is a safety issue and Metro made the decision. I have to tell you I jumped up and down because it is right in the heartland of my electorate but, as Minister, I will not insist on Metro providing a service that compromises safety. Don't suggest they are not getting access to a service. Kids are now being asked to walk between 500 and 800 metres for the service. When I was 13 or 14 that was nothing - I would still walk 500 or 800 metres now in my condition. The service is there but it is just not at their front door.

Mr MARTIN - Is this a common problem because of the design of the new buses?

Mr STURGES - Yes, potentially it will be a problem, because the services that have been provided into these small suburban streets are being looked at on a case-by-case basis. I understand - but I have not had any personal representation on this - that Purdy Street was looked into as a result of comments from some residents who were concerned about safety issues in that street. Metro has a duty of care obligation; once something like that is raised it must be looked at.

They looked at it and determined that it was inappropriate. The 12.5-metre buses, which are becoming the standard size bus, cannot turn unimpeded in a small suburban cul-de-sac and as a consequence may put at risk small children on the footpath. I understand that they were knocking wheelie bins over and ran into a couple of retaining walls. Now I am not having a shot at the council, but I am just saying that the compromise is that people can walk down to the intersection of Springfield Avenue, which is between 500 and 800 metres. We also advised the council that if it put in a bigger basic turning circle we could provide the service. The council said it would cost \$84 500, we did not have the money and the council did not have the money so we are now in a situation where a handful of children are required to walk a few hundred metres further each day.

CHAIR - I would like to comment that this committee examined Metro as a GBE in December and when you start to talk about bums on seats one of the main reasons that Metro said it was struggling was because of the change in demographics and fewer students. That would seem to be a trend into the future. So it would seem to me that they are always going to struggle to get more people.

Mr STURGES - I will tell you anecdotally, when I drive to work of a morning I see a lot of kids sitting up in cars being driven to school, so perhaps we should be encouraging people to get their kids on buses, because buses do come into Hobart, buses do travel past schools but there might be a requirement for the kids to walk just a little bit.

Mr MARTIN - That is why this is a contradiction because we want to get people on to buses but then you make it harder for them to catch the bus by moving the routes further away.

Mr STURGES - You cannot have a bus run past everyone's front door in Tasmania.

Mr MARTIN - No, that's true but, with the new buses, they are going to be going past fewer doors in the future than in the past.

Mr STURGES - Metro I understand is taking the contemporary approach of linear routes around the suburbs.

CHAIR - I think we have thrashed that to death.

6.5 School bus operators: contract services -

Ms FORREST - Are you aware that there are still a number of ongoing issues facing rural families and those who live in the urban fringe areas with school buses and school bus fares?

Mr STURGES - Yes I am. Are you talking about the Wynyard-Boat Harbour arrangement?

[5.00 p.m.]

Ms FORREST - There is the Wynyard-Boat Harbour issue, but that is a separate one. Can I explain one situation to you? The Department of Education does not strictly enforce the home area rule, or whatever you want to call it, whereas DIER appears to do so to in the extreme. DIER even considers which side of the road a child lives on. For example, if you look at Seabrook Road, if a child lives south of Seabrook Road and east of Village Laneway their home school is Somerset Primary School. If they live north of Seabrook Road and east of Coopers Lane they go to West Somerset Primary School. If they live south of Seabrook Road and west of Village Lane they go to Yolla District High School. If they are north of Seabrook Road and west of Coopers

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Lane then they go to Table Cape Primary School. So it is almost to the point where the student pays or doesn't depending on which side of the road they live on.

Mr STURGES - Two things I want to say. Firstly, because of the complexity of that question, I would request that you put it on notice so that we can respond to the specific issues that you raise. Secondly, the core passenger service review identified a model based of what is called the Urban Centre Locality. ABS statistics back up the model and we believe that it is fair. One thing that I will say, through the three and a half year review that was conducted, Tasmanians said to the Government, 'we want consistency and equity'. We believe that this model provides that. Parents have the choice of where they send their children to school, whether it is a private school or another public school, but if they elect to send their child to a school that goes into or out of an urban fringe area, then they will make a contribution to the travel costs.

Mr PETERS - Depending on the distance, the government subsidy is somewhere between 50 and 90 per cent of the actual travel costs.

Ms FORREST - Let me just put on the record here that these parents are not complaining about paying, they are complaining about the inequity in some cases.

Mr STURGES - If the member would to give us that question on notice, we will have a look at it and if it needs to be fixed we will fix it. We will get a response to you either way including why the model is being applied as it is being applied. It is rather complex and they are specific issues.

Ms FORREST - So in regard to the Wynyard-Boat Harbour situation, there have been some changes there I understand?

Mr STURGES - The change is basically for safety reasons: the bus was interchanging some time ago at an intersection, I forget the name of the road on the Bass Highway -

Ms FORREST - Flowerdale Road.

Mr STURGES - There were about 30 cars up there and kids and what have you. For safety reasons the bus now diverts in to Wynyard to pick up kids. Now some of those kids, through choice, are going out to Boat Harbour School. So therefore they are in that urban fringe area.

We have had a look at it. I think the principal now accepts the travel arrangements. Some of the students are getting on the bus before it starts its paying route, but the bus driver, being obliging, is picking them up on the way through from where he starts and dropping them off on the way home. We have been up there and we have had officials travel on the bus to assess concerns. We believe that we have got it right. We acknowledge and accept that parents have a right to choose to send their children to schools other than the nearest public school. However, if they choose to do that, then they also have to acknowledge and accept that there will be a requirement to make a contribution to the travel for the child.

Ms FORREST - That is not the issue that I am concerned about.

Mr STURGES - Anyway we will look a those individual issues and get a response back to you.

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Ms FORREST - Is it 200 new buses that have come into service?

Mr PETERS - 170.

Mr STURGES - New or newer.

Ms FORREST - New or newer and that is the school bus fleet?

Mr STURGES - It is 170. I was at the annual conference of the Tasmanian Bus Association recently and I know there were more buses being ordered at the conference. So these contracts are delivering what they were intended to deliver.

Ms FORREST - Can we have a breakdown of where the new or newer buses are around the State?

Mr McILFATRICK - Yes, we could probably at least do it on a regional basis.

Ms FORREST - Yes, I am not saying every location but regional is fine.

Mr McILFATRICK - We could get a breakdown of the new -

Mr STURGES - We could do that and in fact up in your area of Phoenix, for example, I have picked up new buses, put on new runs.

Mr McILFATRICK - It might take a little while to gather but we will get it.

CHAIR - I was actually going to raise a similar issue to Ms Forrest, over the page in administrative expenses but that was the issue with Hadspen and Hagley. No doubt you are well aware of that, Minister?

Mr STURGES - Yes.

CHAIR - Could you give me the latest update on that?

Mr STURGES - Yes I can. Bear in mind we have done our best to work with the school community up there. There has been concern raised by a group of parents in relation to the equity in that their children are being required to travel from Hadspen to Hagley which is in a rural area so they are travelling out of an urban fringe area - and Hagley is by ABS statistics definitely an urban fringe area - into a rural area.

CHAIR - Hadspen, you mean.

Mr STURGES - Yes, Hadspen. The secretary went up and met with the Parents and Friends Association and put some offers on the table in relation to trying to deal with the problem. As I understand, the secretary or president of the association - I think she is the secretary - indicated that they wanted to take the matter to the Ombudsman. We accepted that.

As a result of a submission being made to the Ombudsman we immediately stopped action to collect outstanding contribution for fares. We then said as soon as it went to the Ombudsman that

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we would cooperate fully with the Ombudsman's inquiry into this matter and we also said that we would accept the Ombudsman's findings on the matter.

I understand that on Friday or Monday, I think it was Friday, the Ombudsman wrote to the secretary, Ms Nankervis and said that he finds the model the Government is using to be sound and he commended the thoroughness of the Core Passenger Services review. Because the Summerdale Primary School is chockers and there is no other option available for those people living in Hadspen, he has accepted that those children need to travel out to Hagley. On that basis he has upheld the complaint lodged, but on that basis only.

There are two ways we can resolve it. We could issue the children with bus passes and they travel free, and we are going to do that; and we are going to put a process in place now to reimburse those parents who were making a contribution. Also, we could build some more classrooms at Summerdale and they will pay to go the other way. We have not been formally advised but I am reliably advised that the secretary of the association has received that advice from the Ombudsman. I do stress, though, that the Ombudsman accepts the model, accepts the validity of the model -

CHAIR - I understand that but -

Mr STURGES - I just wanted to stress that because we do not want this to unravel at the seams. The Ombudsman, I understand, has said that because of their local school being chockers -

CHAIR - And it is I think the biggest primary school in Launceston - Summerdale as it is at the moment - and there is not much room for expansion whereas a lot of money has been spent at Hagley. I am pleased to hear that answer, thank you.

Mr STURGES - We will cop the Ombudsman's decision once we receive that formally and we will take appropriate action to reimburse. We will keep the same contractual arrangements with the contractor because it is a better contract for him and we should not be disadvantaging the contractor but we will stump up and we will cover the costs. We will wear the outcome of the decision. That is due process taking its course.

CHAIR - Good, thank you.

Mr HARRISS - Mr Chairman, if I can link this matter to the conveyance allowance because they are related, is there a process when a contract service is removed where families who will be affected by that removal are advised of the opportunity to apply for the conveyance allowance? There is a connection there.

Mr STURGES - There should be, yes. I will defer to Mr David Peters, but I think you are talking Nierinna Road, are you? Anyway, it doesn't matter where you are talking about.

Mr HARRISS - I am not sure whether that is the one or not, but it is just a general principle.

Mr STURGES - There should be a process.

Mr PETERS - My understanding is the answer to that question is yes, that if there is going to be a change of the service the people affected are consulted and the range of options available are canvassed, including conveyance allowance if that is appropriate.

6.6 Urban bus service -

Ms FORREST - This covers the Mersey service. Just with the growth of the Port Sorell area, and I thought the Chair might have been more aware of this, are there any plans to actually recommend expansion of that service to the Port Sorell area with that growth out there, particularly into Devonport and to the hospital?

Mr STURGES - Can I take that on notice?

Ms FORREST - Yes.

Mr STURGES - I have a good bureaucratic spiel I can give you, but given the time of the day -

Mr McILFATRICK - Under their contract they would be the same as any other operator that has to take into account the movement in customer needs, and we would expect them to be looking at that, and we will be looking at it as well.

Ms FORREST - The department will be looking at it?

CHAIR - The reason I did not ask was that I thought the people out there were satisfied with the existing service with the private operator.

Mr McILFATRICK - We will take that question on notice and get the detail to you.

Mr STURGES - Under the service development plan model component, that is something that can be taken into account too, but we will get a response back to you. I know the operator up there is very keen to accommodate. In fact I will take the opportunity, if I may, Chair, to commend the number of private bus operators and what they have done over the past 12 months in this State, particularly in rural and regional areas. I think they are unsung, small business heroes in this State, the more I have worked with them and the more I have got to know them, and they put significant investment into their businesses. They provide this service to Tasmania throughout the State.

Ms FORREST - It is a frightfully important line item; \$32 000 every year to go to streets in towns. I do not have any questions on it.

Grants and subsidies

Mr HARRISS - Can I just ask a question regarding the conveyance allowance, and I haven't got up to speed with it for ages. The first question is, is it a cents per kilometre, David?

Mr PETERS - It is. I am not absolutely certain how it is paid. It is paid on a per student basis depending on distance, but exactly as to rate I am not sure. I can get that.

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Mr HARRISS - What is the distance from the nearest bus stop that fits into -

Mr PETERS - It's 5 kilometres.

Mr MARTIN - Could we have an explanation of what the National Transport Commission is and the local government contribution. I cannot find anything in the budget papers to explain what it is. I have even looked at the web site for National Transport Commission and I cannot find any mention of local government.

Mr STURGES - I will defer to the secretary and the deputy secretary.

Mr MARTIN - I almost wonder whether that is a typo and it should be State government contribution.

Mr STURGES - Federal, I think.

Mr MARTIN - I have found it. It's okay

[5.15 p.m.]

CHAIR - The footnote on payments to school bus operators is self-explanatory. In 2012-13 it jumps up by about 2.8 million. That is quite a substantial increase - \$17.8 million compared to \$15 million the year before. Is there any reason for that particularly?

Mr PETERS - We are expecting that as the implementation review kicks in in the out years and more higher-standard DDA-compliant buses are brought in by operators we are going to have to pay more.

Mr McILFATRICK - It is effectively a capital component in the contract. If they improve the standard of their vehicle then they get a better payment.

Mr STURGES - They get more the lower the age of the vehicle.

Ms FORREST - The comment made here is that there is an entitlement for age pensioners on the Bass Strait islands who travel between the Bass Strait islands and Launceston or Hobart. The only flights from King Island go to Burnie or Devonport. They do not go to Launceston or Hobart unless you fly on to Hobart from there. You certainly cannot fly to Launceston from King Island. I assume that pensioners are receiving that subsidy if they fly to Burnie or Devonport?

Mr PETERS - Yes, it is 50 per cent of the cost of one direct return flight between King Island and northern Tasmania.

Ms FORREST - Maybe that should be corrected then. It is \$8 000 a year, from memory, is it not?

Mr PETERS - That is right.

Ms FORREST - That is an indicative value, I imagine, is it? The air fares to the islands are not as cheap, as most people would be aware. If there was an increase in the number of eligible aged pensioners on the island, that figure would be met.

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Mr PETERS - That is right. It is demand driven. Every pensioner is entitled to the lower fare.

Mr STURGES - With respect, this is why - and I am not being smart - it is budget Estimates, because we do our best to estimate.

Ms FORREST - That is what I am saying. It is an indicative value. I am just clarifying that. I think that needs to be corrected.

Mr McILFATRICK - For instance, this year I have just put in for an additional \$2 000 because there is fluctuation in it. At the end of the year we may need to make an adjustment.

Ms FORREST - The honourable member on my left makes the comment that they could fly to Melbourne first and they do.

Mr WILKINSON - That is what a lot do, is it not? They fly to Melbourne first and then go.

Ms FORREST - But do they get the subsidy even on that if they choose to do it that way?

Mr McILFATRICK - I do not know.

Mr STURGES - A lot of them just fly to Melbourne to go to the dentist and everything.

Ms FORREST - They do. That is right.

Mr STURGES - Seriously.

Ms FORREST - I know.

Mr WILKINSON - But even people that are travelling from Tasmania who have to go to King Island find it easier and quicker to fly to Melbourne first and then to King Island, which is sad really.

Ms FORREST - The cost is almost the same.

Mr STURGES - I know the honourable member and I look after the local Tasair business.

CHAIR - The next line, Minister, is aged pensioner and unemployed concessions. In the year 2011-12 there is \$2.3 million. Then it virtually halves in 2012-13. Does that mean that we are going to have full employment or is there going to be a lot of people dropping off the perch? I cannot quite work that out.

Mr STURGES - I am sure Mr Peters has an answer for you.

Mr PETERS - I am sorry, I do not have an explanation for that number here.

CHAIR - Is that one that you can find out for us?

Mr PETERS - We certainly could.

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CHAIR - Thank you. I thought it might have gone the other way. It might be a misprint, I would suggest.

Mr STURGES - We will get an answer for you on that.

Mr MARTIN - Regarding the Transport Access Scheme, in the footnote is one of the most extraordinary statements I think I have read in the budget papers. The footnote says that the decrease in the Transport Access Scheme reflects the introduction of an electronic billing system, with the extraordinary words 'and a reduction in demand'. That runs contrary to the Government's own Demographic Change Advisory Council which predicts that by 2046, 32 per cent of the population could have a disability. I have run it past Margaret Reynolds from the National Disability Service and she was amazed at the statement. It just does not make any sense.

Mr PETERS - We are expecting that the demand for the scheme will decrease in the coming year but I do not have the details with me. I will get that for you.

Mr STURGES - Let me take the opportunity now, and I will say this, this is budget Estimates. If demand stays where it is or increases, the Government will deal with it. The Government will not walk away from providing a transport access scheme to those eligible people with disabilities who require the service. I give that firm commitment on behalf of the Labor Government right now.

Mr MARTIN - Good. That is very reassuring but -

Mr STURGES - We will do some work on your question.

Mr MARTIN - We can get that later?

Mr STURGES - Do you want to put that on notice?

Mr MARTIN - Could we put that on notice?

Mr STURGES - It is up to you. Whatever we get from the secretary we will deal with.

Mr MARTIN - Yes, that would be good.

CHAIR - You will need to pass that through the secretary so will you write that down for him.

Mr STURGES - Could I just confirm, Mr Chairman, we will respond to questions on notice that we receive formally through the committee.

CHAIR - We move then to table 6.14 which is Special Capital Investment Fund allocations.

Special Capital Investment Fund

CHAIR - Some of those are pretty straightforward. Regarding the Urban Renewal and Heritage Fund and the Oatlands and Stanley underground powerlines I think they have been pretty well promulgated in respect of the heritage values of both Stanley and Oatlands.

Mr STURGES - The Tasman Bridge.

CHAIR - Yes. I would have liked to have seen an upgrade there with the new bike track hanging off the side but obviously Mr Todd has explained why that is not technically or engineeringly possible.

Ms FORREST - Regarding the north-east freight roads, that is the planning that was linked to the pulp mill going ahead?

Mr STURGES - No, not at all. An amount of \$42.5 million of Federal Government money, more Federal money into the State, is committed to enhance freight road arrangements in the north-east region of the State with a view to taking the heavy vehicles off the main tourist road in that area.

Ms FORREST - That is going to happen anyway?

Mr STURGES - Yes, and we are working in consultation with the Dorset and Break O'Day councils to progress that and one contract has already been let that the Dorset Council is managing. It is a \$1.7 million project to replace the Tebrakunna bridge.

Ms FORREST - I noticed in last year's budget papers that the closing balance of the Infrastructure Tasmania Fund was \$192 million and this year the opening balance is \$92 million which is a \$100 million difference. Can you explain where that extra \$100 million went?

Mr McILFATRICK - All the infrastructure fund is not consumed by us so we are only aware of what we are allocated and certainly the big allocations have been on the Brighton hub and the Tarkine tourist drive. I can certainly follow it up. Given that we are a recipient of that fund, we could ask that question of the Treasurer and get back to you.

Mr STURGES - We will take that on notice.

Mr WILKINSON - There is nothing that I can see in Better Roads funds. It seems that has all been drawn down but for the \$1.7 million, which is going in to the Sisters Hill project. But getting into the Tarkine Drive Infrastructure Tasmania Fund, I understand that there is a consulting report prepared by Moore Consulting, in relation to analysis of the road options in relation to the Tarkine. What I am wondering, and I know it is a DED matter, is whether we could get a copy of that.

Ms FORREST - It showed the economic benefits.

Mr McILFATRICK - We will give you the web connect. We have got it here if you would like a copy but we will also give you the web site.

Ms FORREST - Is it the same company that did the consulting for the Cradle Coast Authority?

Mr McILFATRICK - Yes

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CHAIR - If we move to the Infrastructure Tasmania Fund and the Brighton Transport Hub. Mr Harriss and I are well across it, being on the Public Works Committee, unless any other members have any questions.

Ms FORREST - It is just a matter of clarifying the continuation with that. If the rail were to fall over, which we are assured it will not, then we have to question the value of spending money here.

Mr STURGES - We are absolutely committed to that \$79 million Brighton Transport Hub project which will be funded by the State Government, and the \$164 million, 10-kilometre Brighton Bypass will be funded by the Feds. We remain committed to do all we can to ensure that rail continues in this State and I am finishing off where I started this morning, we have a negotiated outcome, we will continue to work in good faith to ensure that a negotiated outcome is delivered for the Tasmanian community.

Mr WILKINSON - In relation to Nation Building, Black Spots and the economic stimulus plan. We are looking at Table 6.15, Capital Investment Program. It would probably be easier if we could get a list of the black spots from you.

Mr STURGES - We can provide that. That is easily done.

CHAIR - I notice that the Port Sorell main road is out until 2011-12 - \$4 million. It seems to have been sitting around for a while that particular one.

Mr STURGES - I am trying to keep up with you.

CHAIR - I only want the briefest of synopsis there. That was to do with widening.

Mr TODD - We will need to do the project development on that project. It is still a little early to say exactly what those works will be.

CHAIR - One criticism that often comes from people in that area is that there are no passing lanes and that it is a real issue, I think.

Mr TODD - That is one thing we will look at in terms of the options. Our priority will be to improve the safety of the road but we will take that into account. I cannot say exactly what the works will be but I anticipate it will be widening, kerb improvements, junction upgrades and that sort of work so we have those funds coming up. We have to do the project development before we know about that.

CHAIR - We then move down into continuing projects and there is a list of those and I think they are work in progress.

Mr MARTIN - The Minister would be really surprised if I did not ask about the Brooker Highway. That is a \$10 million promise from the 2006 election. As I understand it, what it was all about was getting rid of one of the sets of traffic lights originally and realigning Goodwood Road and Elwick Road.

[5.30 p.m.]

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Mr STURGES - That was an option and knocking out a few houses of your constituents too, by compulsory acquisition. That is why it is on hold.

Mr MARTIN - And your constituents too.

Mr STURGES - That is why it is on hold.

Laughter.

Mr MARTIN - I do not think there has been any negotiation with any of the householders.

Mr STURGES - To give you an abridged version of where things are at, the money is in the budget because we are still committed to it but we also recognise that it is part of the National Highway and although the Federal Government has now signed up and accepted that the money for the Brooker Highway from Granton into Hobart is committed. We are particularly keen to do work at the Howard Road roundabout. We believe that it needs very urgent attention. We were keen, also, to do some work at the Elwick Road and Goodwood Road intersections with slip lanes and different configurations. We had displays at Northgate for a period of time; we had a display at the Glenorchy City Council chambers; we have received community feedback which is tepid, to say the least.

Mr MARTIN - So they are not happy.

Mr STURGES - No, they don't care. We have not had any outrage about what we are proposing but, with respect to Glenorchy City Council, they have indicated that they are not prepared to support either of the proposals we have put forward. I am not of a mind that I want to go into the cave and wrestle the bear over this. What I will try to do is find a way forward within our budgetary constraints.

Mr MARTIN - The problem is, what you have is three sets of traffic lights and a roundabout on a major highway -

Mr STURGES - We acknowledge that Glenorchy City Council has raised some concern. We will do our utmost to work with the Glenorchy City Council to find a way forward. If that means that we have to park the projects up whilst we try to find some more money to come up with an acceptable solution we will do that. I am not about having a fight over this, quite frankly.

Mr MARTIN - Can I put my point of view on this because it is probably the only opportunity I will get. To me, the important thing is to get rid of one of the sets of traffic lights and the obvious way of doing that is to realign Elwick Road and Goodwood Road. The thought of what was being recommended - and I would agree with the council on this - to have a fourth set of traffic lights put in by taking the roundabout away: to me, as a commuter, the roundabout is the only thing that works at the moment.

Mr STURGES - Not if you are coming out of Howard Road and trying to go right to go into Hobart and not if you are coming out of Goodwood to go over to Glenorchy. We are not going to have a fight over this.

Mr MARTIN - No.

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Mr STURGES - The experts have told me and I have to -

Mr MARTIN - It needs more money, though, doesn't it?

Mr STURGES - Just like the aldermen on the Glenorchy City Council, I do not have expert traffic engineering expertise. The experts have told me that the configuration that was being proposed with new slip lane arrangements and the capacity to manipulate traffic lights would have provided far better traffic flow but, having said that, the Glenorchy City Council have indicated that they are not happy with the proposal. We will do our utmost to work with the Glenorchy City Council to find a way forward.

Mr MARTIN - Is one of the avenues of doing it also to seek additional funding from the Federal Government now that it is part of the National Highway? Is that a solution?

Mr STURGES - Of course, it is, but that is not a magic wand solution. The reality is we have an \$800 million package for the forward Estimates on the table now so to secure additional funding is not going to be easy but if that is what the council wishes to pursue then we will talk to them. We are not going to have a fight over this; I can assure you of that. I do not want to go down the path that we went down at Dilston and attempt to impose something on the community that they do not want. As a lifelong resident of the area, I want to see improvements to traffic flow in that area but we will do it in recognition of the concerns of the council. However, I must stress that the community, through the process of consultation, did not raise any major concerns with us.

Mr McILFATRICK - I would like to put on the table that there are two aspects to that project; the Elwick Road and the Howard Road. There was a wholesale agreement on what should be done on Howard Road by the people coming in from the local area. There was a lot of difference of opinion on Elwick Road. What we put on the table was to park Elwick Road and do Howard Road - which everyone agreed was an opportunity to spend \$6 million in that local area - and the modelling shows that the traffic lights increased traffic flow, not impeded it. What we have is the local council ignoring an opportunity to spend \$6 million in their community - because they want to hold out and get the Federal Government on board. I can understand that, but we were ready to go forward with that project.

Mr STURGES - But we are not going to step into the ring and have a fight over this, I can assure you of that. We have a difference of opinion - and we have been a tad preoccupied over the past couple of weeks with another form of transport. We will get to the stage where we get back to the table and maturely discuss the issue with the Glenorchy City Council. We recognise their role in those so we are not going to go into the cave and wrestle the bear over it.

Mr MARTIN - Just to make the point, Howard Road is your preferred option because of the amount of funds you have?

Mr McILFATRICK - Howard Road roundabout.

Mr MARTIN - And if you had the funding you would realign Elwick Road and Goodwood Road, I am sure.

Mr McILFATRICK - Maybe, but I guess I was putting it into two components. There is no dissent or argument around Howard Road and that is why we went for that.

Mr STURGES - Again, I do not want to have a blue over this, but I understand also that the Glenorchy City Council is demanding a disabled-accessible bridge to Goodwood Primary School - which is a couple of million dollars. My understanding is that there are plans to amalgamate the school.

Mr MARTIN - No, there is not; they have decided not to amalgamate. It is not council pushing that; it is the Goodwood community.

Mr STURGES - Do not give me that nonsense; there are about three from the community pushing it. I live there, and I work there, too. We will go and work with the council but I think the council is being unreasonable. You can put your council hat away; we are not going to have a fight over it.

Mr MARTIN - It is not a council hat and I think we are going to have fight.

Mr STURGES - Of course it is. I understand the politics of this. You have hit a button with this one.

Mr MARTIN - What is the politics? Don't just put that out there.

Mr STURGES - You don't own Glenorchy, you know.

CHAIR - I have a question about the Illawarra Main Road. There is \$6 million-odd there, and I presume the vast proportion of that is for the roundabout?

Mr TODD - Yes, a significant proportion of that is for the roundabout. We have an application with the Northern Midlands Council. We may have received the approval, I am not sure, and we are moving ahead on that project as a priority. The next works on that project are widening and kerb improvements north of there, from Bishopsbourne through to the Whiteford area. They are the two projects.

CHAIR - So what was being done there?

Mr TODD - Pavement and road widening, and kerb improvements through that area.

CHAIR - At that next junction?

Mr TODD - And going north.

CHAIR - Are you going to take away that pesky speed camera when the roundabout is put in?

Laughter.

Mr STURGES - It is not so pesky if you are going at the right speed.

Mr MARTIN - The Lyell Highway, Granton to New Norfolk, apparently is behind schedule. When is it going to be completed and are there cost overruns?

Mr TODD - It is on schedule. We had always planned to do it as three projects. The first project was completed in January this year; the second project started in December last year and will be completed shortly. We are planning to tender the third project in August this year, with completion around April next year. We are on track with that project.

Mr MARTIN - Granton roundabouts?

Mr TODD - That is a separate project.

Mr STURGES - That is linked with the refurbishment of the Bridgewater Bridge and you will be pleased to know that a new lifting span is going in. Yes, we have money in the Budget for planning for a new bridge.

Mr MARTIN - When is work going to commence on the new span?

Mr McILFATRICK - Over this summer.

Mr TODD - The refurbishment of the bridge will be completed in December 2010, so 18 months' time.

Mr STURGES - It is an extensive project that involves not only the roundabout at Lyell and Midland highways, slip lanes and surface work on the existing Bridgewater Bridge. The repainting of the bridge in itself is going to be quite an extensive project because it has to be stripped and there are environmental considerations.

Mr MARTIN - Is that going to delay it?

Mr STURGES - No. The project is all planned to be done over that period of time. Then, to ensure that we do not inhibit traffic flow and disadvantage the travelling public, we will do the lifting span at the end of the project.

DIVISION 11

(Department of Treasury and Finance)

Output group 4

Community Assistance

4.3 Community Support Levy -

4.4 Payments to Anzac Day Trust -

Mr STURGES - The Premier determined that he would appoint me as inaugural Tasmanian Minister for Veterans Affairs. It is an appointment that I have accepted with great honour and great pride. This role does not involve the expenditure of large amounts of money. I will say, though, that we are committed to maintaining the Frank MacDonald MM Memorial Prize for students and RSL representatives in this State. I believe that is a great investment in ensuring that our students and the Tasmanian community continue to respect, honour and understand our great history. I take offence at anyone who would dare to suggest that it is anything less than an investment in our future.

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CHAIR - You would have, perhaps, read the positive motion we did in our House last private member's day on that particular issue?

Mr STURGES - To be honest, I have not had the pleasure of reading that -

CHAIR - It is worth it. It is a very good read.

Mr STURGES - I will ensure I get hold of that

Mr MARTIN - Nearly every member spoke in favour.

[5.45 p.m.]

Mr STURGES - I will make a point of reading that.

We have also allocated, for a second consecutive year, a grant of \$100 000 to the Tasmanian State Executive of the RSL. That does not mean that we are going to single out the RSL for preferential treatment over and above other ex-services communities in this State. The \$100 000 was in the budget mix as the Premier was organising this portfolio responsibility.

What I want to do in my role is not expend huge amounts of money, but make connections with the ex-services community in this State and, most importantly, provide a conduit for the ex-services community on Federal matters and on State-related matters that we can assist with. So I believe that the Tasmanian Veterans' Advisory Council is the right vehicle to do that through.

I advertised and sought expressions of interest from members of the ex-services community and their families to become members of the Tasmanian Veterans' Council. I have been overwhelmed by the number of applications that we have received - I think it was more than 40 very comprehensive applications. We are going to have an inaugural advisory council of 12. There will be a minimum of three ex-officio members on that council from Health, Housing and a representative from the Federal Department of Veterans Affairs. I have had dialogue with the Federal Minister for Veterans Affairs and he has indicated that he would be very supportive of a member of DVA being on the council. I have also formally written to the federal minister and I am waiting on a response. I will also be appointing a chairperson for the initial 12 months, but then we intend to get a broad geographic spread and also take into account the types of service and experience people have had to ensure that we get a broad, diverse spread on the advisory council.

I have no set agenda for the Tasmanian Veterans' Advisory Council other than we will meet on a regular basis. Members of the council will be volunteers but we will meet reasonable travel expenses and reasonable expenses to feed and nourish the veterans when they come to meet. We will meet in Hobart and we will meet in other areas around the State.

My only riding instructions to the council will be, let us look at things like the appropriateness of the Anzac Day Observance Act and other relevant legislation and then open it up for the ex-services community to use the advisory council to determine the key issues that need to be addressed. If those issues then need to be referred to the Federal Government for consideration and action then, through the advisory council, I will be writing to my colleague the Federal Minister for Veterans' Affairs.

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If there are issues that are matters of health and wellbeing that can be dealt with through our State Health department then we will be referring that to the Department of Health. Can I say, and I want to stress this, we are not looking for individual issues rather, we are looking for systemic issues evident in the State and that is where we will get on board and we will try to deal with them. But for cases where individuals, who, for example, believe they are not getting the right payments, there are normal processes for resolving those issues.

We are looking for broad systemic issues and most importantly I am looking for the ex-services community in Tasmania to tell me what it is that they want us to work on. If it is a matter of dealing with the Department of Health and there is a project that needs to be undertaken then I would certainly be talking to the Treasurer and my colleague the Minister for Health for them to financially assist with that project.

I am supported through a secretariat which is attached to the Department of Premier and Cabinet and, as I said, we do not see that this is about spending large amounts of money. It is about putting a process in place that genuinely allows the ex-services community to connect with the Tasmanian Government and for the Tasmanian Government to connect with the ex-services community and hear what it has to say and work meaningfully through those issues.

I think the first issue will be the relevance of the Anzac Day Observance Act. I have already had discussion with members of the business community and the ex-services community who have some issues with elements of that act.

Mr BADCOCK - It is really important to note that part of the role of TVAC will be to ensure that the growing interest of the younger groups of people in our military history and legacy continues, and also in recognising, honouring and commemorating the sacrifices that the veterans have made.

CHAIR - Thank you very much, Minister, and I commend the Government on your interest and assistance in that particular matter.

Mr STURGES - Thank you, and all members are very welcome to make a submission or come and sit in on an advisory council meeting at any time.

Ms FORREST - You said that the advisory council will consist of voluntary members but you said that you will cover reasonable travel costs and that sort of thing.

Mr STURGES - Correct.

Ms FORREST - Have you an estimated the cost of that for over the year and where is that funded?

Mr STURGES - It will be funded through the secretariat in DPAC and it will be minimal. The department will deal with this through its existing budget because, quite frankly, we are talking about accommodation for only three or four people and a couple of sandwiches. It is not big-ticket item stuff. I am not demeaning the role of the council, but both the council and my role as Minister for Veterans' Affairs were created during the framing of the Budget and until I sit down with the representatives of the ex-services community I am not going to know what it is it wants.

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Ms FORREST - At the end of this financial year, when we sit around this table again, you will have figures about what the cost has been and they will be outlined in the budget papers?

Mr STURGES - Correct.

Ms FORREST - Where is the funding for the Frank MacDonald prize - which I think is a great initiative - recorded in the budget papers?

Mr STURGES - We understand that is in the DPAC budget. That is in the forward Estimates, it is recurrent funding and it is something that the Bartlett Labor Government is committed to ensure is maintained into the future. As I say, it is a significant investment. Do you want confirmation of where that is in the Budget?

Ms FORREST - Yes.

Mr STURGES - We will take that as a question on notice.

Ms FORREST - How many staff do you have operating this department?

Mr STURGES - I have Mr Badcock working for me on a part-time basis, and that can vary from a couple of hours a week to a day a week - he has been pretty busy getting TVAC established - and we also have a secretariat of a couple of people that have absorbed this work into their existing work from DPAC.

Ms FORREST - How many FTEs are we looking at here?

Mr STURGES - It is minimal.

Ms FORREST - It might be minimal but we are talking about a staffing arrangement here and you have to be open and transparent.

Mr STURGES - I am trying to say to you, there are two staff who have been allocated to provide assistance to me in the Department of Premier and Cabinet. If you would like me to give you a run down over the last couple of months of how many hours they have dedicated to this job then I will attempt to do that. What it has involved to date is organising advertisements to go into the three key Tasmanian newspapers and seeking expressions of interest for membership of the Tasmanian Veterans Advisory Council. They have then responded to those people acknowledging their applications and advising that there will be a selection process put in place and we do want to have a proper selection process so that we can get that demographic spread, so that we can get that level of experience spread. We do not have a dedicated x number of hours but if the member would like us to provide an estimate over the last couple of months of how many hours they have put in, we will attempt to do that.

Ms FORREST - I think it is important to have a forward estimate of what the FTE requirements are to run this because there is going to be organising meetings, there is going to be -

Mr STURGES - We are not putting on extra staff.

Ms FORREST - No, I am not suggesting that you are, I am asking what the staffing allocation, from within the DPAC budget, now will be dedicated towards running this because it

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is going to take some time, as you said, placing advertisements and going through a selection process, organising the meetings and attending the meetings?

Mr STURGES - Not significant, with respect.

Ms FORREST - I am not saying it is significant but I think it is important that it is all allocated. If you have a minister for Veterans Affairs, surely we should have some figures that back-up?

Mr STURGES - We will give you the time that has been allocated thus far but the estimates will be predicated on, for example, I think I know how often I would like the Veterans Advisory Council to meet, but I want the Veterans Advisory Council to tell me how often they think they need to meet, whether they can do it, from time to time, on a phone hook-up, whether they all need to come to Hobart or whether we all need to go to Burnie. I do not want to be presumptuous. I need to ask the members when we select them and establish the committee how they want to operate and, within reason, I will do my best to work within the parameters that they want to operate.

It will not be a costly exercise but we are taking notes here on what the member is requesting. So, you want us to give you an overview of, over the past couple of months, how many hours have been dedicated -

Ms FORREST - Also what you anticipate ?

Mr STURGES - Yes.

Ms FORREST - Also the cost that will occur, the staff cost as well as the cost of running the arrangement.

Mr STURGES - Okay.

Mr WILKINSON - In relation to your boating facilities and services, \$1.486 million is budgeted for this year and we are looking at a bit of a drop-off over the next three years after that. What is happening in relation to boating facilities? I know there has been some work done at Orford. The bar has been taken away and dredged, which is good because boats could not get into there a short time ago and that caused a great deal of trouble, as you probably know, from New Year right through to a couple of weeks ago. Why did it take so long?

Mr FINCH - The first question I ought to answer is, why the drop-off in funding. That is because we have a triennium licence, and this is the year that your licence gets renewed. Some of the licence renewals fall due in 2008-09 financial year and some in 2009-10. It is a bit of an allocation exercise in the Budget and next year we will not get any funding from licence revenue and then again in two years time the cycle rolls through again.

Mr WILKINSON - I did pay mine this time.

Mr FINCH - That is why there was a drop-off in the funding and it is part of the normal cycle of our revenue that comes in and we stage the expenditure on the way out so it is fairly consistent.

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With Orford, we were asked, as were, DPIW and Parks, to help council contribute to funding. We were asked some while back and then there was some delay in organising the excavator. The council did all that and we are quite happy to continue funding. I talked to council today about an extension of that funding.

Mr WILKINSON - In relation to the work there, I know it has been dredged a couple of times. There have been different ways that problem has been approached and attempts made to sort it out. I know you can't rearrange nature and that seems to be one of the problems. But have you worked out what the problem is and do you believe you have worked out the proper way to fix it?

Mr FINCH - The Prosser River has not been something that MAST has studied. It has been Parks who did the original work there in 2002, and they hired a consultant, and this is an extension of the work that was done then. This is a Parks project, while we were asked to help contribute to it, because recreational boats use it.

Mr WILKINSON - So you are unable to help as to what the problem is and whether there is a belief that what has been done in the last month or so is going to remedy the problem?

Mr FINCH - I have read the report by the engineer, and it is similar to many barways. It is a problem that will naturally recur. It is a natural phenomenon, and if you dig it out you will alleviate the problem for a while, and you are really waiting for the next storm activity to drive more sand into the river mouth. Particularly with the Prosser and with the dam that was built there I think in the 1930s, that took away a lot of the river's naturalness, the peak flow that would flush sand out, so you are always going to have problems.

Mr WILKINSON - Can I go on now to jetty infrastructure?

CHAIR - Indeed you can.

Mr WILKINSON - Has there been any modelling done in relation to what jetties need to be done up and the cost of those jetties and how long that is going to continue?

Mr FINCH - We have an infrastructure database that models the facilities that we have, and we combine all our engineering assessments and reports that have been done. Generally we have an external structural audit done of all our facilities every three years, and we then follow it up with a three monthly audit to make sure of the condition that they are in, and from that we are able to build up a picture of how long a particular structure has, what its likely life will be, and so we do have a sort of forward estimate of how much jetty infrastructure we require.

Mr WILKINSON - In relation to that it says in the papers there was an election commitment to replace ageing marine infrastructure around the State. What is happening with that?

Mr FINCH - The Government gave us at the last election \$5 million for five years of general funding, and with that we last year spent the \$2 million on rebuilding Southport, Nubeena and Bridport. Nubeena and Bridport are still under construction. Next year we intend to rebuild Margate at a cost of \$1.3 million, and the following year we will be rebuilding Kettering. It is a little hard with timber structures to plan which structure is going to last the longest. Some that look frail last longer than you think, and others die quite quickly, so we have tended to juggle the expenditure to try to match the condition of the structures.

UNCORRECTED PROOF ISSUE

Mr WILKINSON - There has been some talk from time to time about the jetty at Kingston. Some of the older stagers around can recall the days going down to the jetty at Kingston. From time to time there has been a cry for the jetty to be rebuilt. Is anything happening in relation to that?

Mr FINCH - We do not have any plans for a jetty at Kingston. I understand Kingborough Council at one stage did look at it and had some plans drawn up, but I am not aware of where that is at in Kingborough at the moment.

Mr STURGES - \$1.3 million allocated for this is part of the five year \$5 million plan for Margate which Colin has already mentioned. Also, construction this year of facilities at Nubeena and Bridport. They will be completed out of last year's budget. And a snapshot, since 2006, the Government has built jetties at Opossum Bay, which has been well received, and I have fond memories of the Cartela going to Opossum Bay. Swansea, Triabunna, Southport and Dover, and also upgraded the Battery Point and St Helens jetties at a cost of \$3.7 million, so we are following through on our commitment to upgrade jetties.

Mr WILKINSON - A couple of years ago there was a moratorium on new jetties. Is that still in process, or if a person makes application are they still able to have a jetty built?

Mr FINCH - That is a matter for Crown Land Services. I am not aware of where that moratorium is at.

CHAIR - I think basically that is today's session. Minister, thank you very much to you and all your advisers. Thank you very much Mr McIlpatrick, and everybody else.

The committee adjourned at 6.05 p.m.