

UNCORRECTED PROOF ISSUE

Wednesday 30 May 2012 - Estimates Committee A (Green) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Wednesday 30 May 2012

MEMBERS

Mrs Armitage
Ms Forrest
Mr Hall
Mr Harriss (Chair)
Mr Mulder
Mr Valentine
Mr Wilkinson

IN ATTENDANCE

Hon. Bryan Green MP, Minister for Primary Industries and Water, Minister for Energy and Resources, Minister for Local Government, Minister for Planning, Minister for Racing

Department of Primary Industries, Parks, Water and Environment

Kim Evans, Secretary
Michele Moseley, Deputy Secretary
John Whittington, Deputy Secretary
Kane Salter, Manager, Financial Resources
Robert Cockerell, General Manager (Corporate Services)
Wes Ford, General Manager (Water and Marine Resources)
Alistair Scott, General Manager (Resource Management and Conservation)
Kate Kent, General Manager (Information & Land Services)
Lloyd Klumpp, General Manager (Biosecurity and Product Integrity)
John Diggle, Director (Inland Fisheries Service)
Deidre Wilson, Director Agricultural Policy Group
Jarrod Bryan, Registrar, RMPAT, Department of Justice
Brian Risby, Senior Planning Adviser, Tasmanian Planning Commission, Dept of Justice
Brett Noble, Director Policy and Project Group
Warrick Coverdale, Valuer General, Office of the Valuer General Information and Land Services

Department of Infrastructure, Energy and Resources

Norm McIlpatrick, Secretary
Bob Rutherford, Deputy Secretary, Energy and Resources
Penny Nicholls, A/Deputy Secretary, Infrastructure
Stephen Long, Manager Resource Management
Amanda Russell, General Manager, Corporate Services
Stephen Long, Manager, Resource Management
Tony Murray, Director, Racing Services Tasmania
Tony van de Vusse, Director, Office of Energy Planning and Conservation
Andrew Blakesley, Director, Forest Policy
Graham Wilkinson, Chief Forest Practices Officer
Tom Fisk, Chief Executive Officer
Martin Blake, Project Director, Forestry Transition
Kim Creak, Director, Mineral Resources Tasmania

Department of Justice

Robert Williams, Secretary
Michael Stevens, Deputy Secretary
Chris Jacoora, Department Liaison Officer
Peter Fischer, State Planning Adviser
Greg Alomes, Chairperson and Executive Commissioner, State Planning, Tasmanian Planning Commission

Local Government Office

Mathew Healey, Director, Local Government Office
Greg Brown, Director, Partnership Agreements

Ministerial Staff

Gary Swain, Head of Office
Karen Vadasz, Senior Adviser
Pam Voss, Adviser
Cheryle Hislop, Adviser
Alison Turner, Adviser
Erin Mahoney, Adviser
Christopher Warr, Adviser

The committee met at 9 a.m.

CHAIR (Mr Harriss) - The hearing is officially open.

We will proceed, minister, so we are happy for you to give us an introductory comment.

DIVISION 10

(Department of Primary Industries, Parks, Water and Environment)

Mr GREEN - Chair, thank you very much.

The secretary of the department, Kim Evans, is on my right, Robert Cockerell is general manager of corporate services, and Gary Swain is my head of office. I will make a few brief comments about the portfolio.

The Primary Industries and Water portfolio does important work across key areas of agriculture, biosecurity, marine resources and inland fisheries, water management, and information on land management with the exception of crown land. The work of this portfolio demonstrates the government's commitment to growing our competitive primary industries and food sector and maintaining the state's relatively pest-free and disease-free status.

With an annual farm gate and beach value of Tasmanian agriculture and fisheries industries at around \$1.6 billion and with a total annual value of packed and processed product of almost \$2.7 billion, the importance of primary industries to Tasmania is obviously clear.

The Tasmanian and Australian governments have contributed \$220 million to the development of sustainable irrigation schemes in Tasmania with just over \$107 million expected to be released to the Tasmanian Irrigation Pty Ltd by the end of the financial year with the development of irrigation schemes. Construction on the midlands water scheme will begin shortly to provide access to irrigation for some 55 680 hectares. The government is also supporting agriculture and fisheries research by partnering with the University of Tasmania through the Institute of Marine and Antarctic Studies - IMAS - with an annual grant funding of \$2.605 million and the Tasmanian Institute of Agriculture with \$4.8 million in 2012-13. The portfolio also maintains essential land and resource information infrastructure and delivers ready access to government services through Service Tasmania shops.

The government has provided funding of almost \$3 million for a two-year Spatial Information Foundations - SIF - project to develop and update LIST, the Land Information System Tasmania. In 2012-13 the consolidated fund budget allocation for the portfolio is \$65.5 million, including \$59.3 million of recurrent appropriation and \$6.2 million of administered payments.

I am pleased to confirm that the department has met its budget targets and tasks, so that is a good thing from our point of view. They will be required to make more savings in the forthcoming years and they effectively are: \$2.7 million in 2012-13; \$5.4 million through 2013-14; and \$6.9 million from 2014-15. Overall, I think the department is operating very well in the current constraints and we are doing our best to make sure that we provide positive opportunities for the state in a whole range of ways.

CHAIR - We will proceed with some overview questions about the portfolio and then we will go into some specific output groups.

If I can commence with an overview question related to page 11.5 of the budget paper number 2 and that is where you have detailed the output expense review for the department and you have some adjusted budget matters there, which you have identified and the paper indicates to me that it has been primarily driven by the review of corporate overheads and accommodation

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expenses attributable to those outputs. My first question is: can you provide some more detail on the reasons for those changes and the actual details of the changes? They are global numbers, which I can look at in bold terms and see that the overall net effect is a positive one in terms of output expenses.

Mr GREEN - Would you mind if I get the secretary to respond?

CHAIR - Any time, please, we will direct our questions through you and you deflect whichever way you like.

Mr EVANS - The background to what we are calling the rebasing of our output expenses goes back to the point in time where the government amalgamated two agencies, the Department of Environment, Parks, Heritage and the Arts and the Department of Primary Industries and Water. When it did that it decided that there would be efficiencies to be gained through the amalgamation because we were putting two lots of overheads and two corporate services together.

CHAIR - Michelle O'Byrne remembers that well.

Mr EVANS - Yes. A decision was taken to extract about \$3.5 million in efficiencies through the amalgamation. The way that Treasury applied those savings was to direct them primarily at the Environment, Parks and Heritage parts of the department and so you have a mismatch in the way the overheads have been attributed to various outputs. As a consequence it does not really make much sense. All parts of the agency have the same level of services in terms of finance, HR and IT, but the costs are distributed differently.

We decided for that reason and for a couple of other reasons, including the fact that we had changed the sizes of some of the divisions through internal restructuring, including that we rationalised much of accommodation, principally through budget reductions and also through the amalgamation. The Service Tasmania output had not previously been allocated corporate overheads but there was a need for us to go back and rebase a fresh look at how we triggered the overheads of the agency. By overheads, I am talking about all of the corporate overheads, accommodation and costs that cannot be attributed directly to an overhead.

That exercise took place last year and what that has shown in terms of the presentation of the budget is that some of the corporate overheads are higher for some outputs and some are lower. It does not relate at all to the level of services provided under each output but it does make it difficult to compare last year's numbers with this year's numbers. However, we can tease through and give you more precise details about how the impact of that rebasing exercise has impacted on individual outputs and groups within the outputs.

CHAIR - Is that something you would need to take on notice, Kim, and get information to us? Just before you answer that, can I get you to twist your microphone for the purpose of *Hansard* please?

Mr EVANS - Yes, we can certainly go through and give you that detail output by output, or we can do that as we go through the output session today.

CHAIR - I am not so sure that I particularly want it output by output, Kim; I do not want to drill down into that sort of detail. I am happy with that global overview of the precise reasons for it. I am comfortable with that unless any other member wants more particular detail.

Mr GREEN - I guess as it comes up through the day, if people are concerned we can provide more detail. I guess it highlights the difficulty in comparing, as the secretary has pointed out, last year's with this year's. As highlighted, it is going to be confusing for people and no-one is pleased about that.

Mr EVANS - In summary though, Chair, what it shows is that Minister Green's portfolio loses \$3.025 million and Minister Wightman's portfolio gains \$3.025 million. We have how that is worked out and the attribution of those costs.

Ms FORREST - Most of those costs are corporate overheads.

Mr EVANS - It is only corporate overheads. It is just the way we have designed it.

CHAIR - Ruth, is there any follow-up?

Ms FORREST - It's shifting the deckchairs, really.

Mr GREEN - That is the trouble, we are not allowed to talk over one another; so you say 'shifting the deck chairs' and we say 'making sure that the amalgamation went smoothly'.

Ms FORREST - Or attributing the costs to where they should be - is that more what it is?

Mr GREEN - If it makes you feel better, yes.

Ms FORREST - The committee is concerned that we asked you to provide estimated outcomes and revised estimates to the most actual stretched line item in the portfolio as well. That would help to inform some of this because those decisions would have been made at the beginning of the year, were they?

Mr COCKERELL - The decision to change?

Ms FORREST - The corporate overheads - the provisions of those costs.

Mr COCKERELL - It was made through the year, during the year, and we went through an exercise of developing the policy for the attribution of the corporate overheads excluding rental. It was done on the basis of the size of the budgets of each of the divisions and the rental was attributed on the basis of the area occupied.

Ms FORREST - Was it done before the midyear?

Mr COCKERELL - Before the midyear review?

Ms FORREST - Yes.

Mr COCKERELL - Yes, it was done before the midyear review.

Ms FORREST - Because we have asked for the revised estimates which are your midyear figures - your estimated outcomes and actuals in each line item the minister is responsible for. That was not provided before to the committee.

Mr GREEN - You asked for it before?

Ms FORREST - Yes.

Mr GREEN - I have the comparisons and the transfer amount that I am more than happy to table.

Ms FORREST - That is only the original budget and the adjusted budget -

CHAIR - That is right.

Ms FORREST - Not the estimated outcomes or the revised estimates, unless I am misreading that.

[9.15 a.m.]

Mr GREEN - Do you want them?

Ms FORREST - That is helpful if it breaks down some of this.

CHAIR - It might be a start.

Mr GREEN - I am not sure whether this response has been given to you in other portfolio areas, but in general terms I don't see any real issue in providing more information. There is a year-to-date update for the budget as a whole for 2011-12 in the estimate outcome chapter of the budget papers.

Ms FORREST - Yes, we know that. I have read the whole budget paper. We did ask for it line-by-line; that is what we asked for.

CHAIR - The global budget we all know about, Minister; it is just your department.

Ms FORREST - Why I think it is particularly important in this area is because you have these adjustments that have been made - we have an adjusted budget - and we need to look at how things are tracking. You said, Minister, that you have made the savings required, and you must be pleased with that, but there are further savings to be made. It is hard for us trying to look as this and not being inside the department to be able to see how things are tracking in that regard. When you say that they have been met, it would be good for us to see the revised estimates and the estimated outcomes that will clearly demonstrate that.

Mr COCKERELL - How we monitor our budget within the agency is on a divisional basis; it is not on an output basis. So corporate services, which is allocated over all the divisions, is just reported within the agency against the corporate services budget. We have a corporate services budget. We are tracking to budget. The extension of that is that we are tracking according to on-budget for the outputs. Corporate Services is a separate line item reported internally. We would need to do an exercise to allocate it over the divisional budgets to give you the response that you would be looking for in output terms.

Ms FORREST - Hence, you can understand our frustration in being able to track what has happened with the money because all we are getting is very bald figures here without any sense

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around them in an adjusted budget. It has been explained as the redistribution of corporate overheads but it is difficult to track where the money is flowing through departments. One of our jobs is to determine how public funds are being spent and where, and this budget is reasonable and it is a reasonable expectation for the future. As we know, primary industries and every other part of government activity is important to the people of Tasmania.

Mr COCKERELL - The budget papers are done on the basis of outputs and how organisations report internally and, probably for simplicity of understanding within the agency, it is on the basis of the divisions; so all the divisions except for corporate line up with their outputs. The way we know how we are on track with our outputs is that we are travelling on track with our corporate services expenditure.

Ms FORREST - The answer I am hearing, Mr Chairman, is 'no' - they don't have that information we have asked them to provide.

CHAIR - But they can get it.

Mr COCKERELL - It will take an exercise to convert our internal workings into the form of the budget paper.

CHAIR - Minister, that is just a follow-up to our earlier request.

Mr GREEN - You are requesting us to do the exercise so we can-

CHAIR - We have already requested it.

Mr GREEN - Already requested?

Ms FORREST - It was sent last week, I understand.

Mr GREEN - Sorry?

CHAIR - We have communicated via e-mail.

Mr GREEN - Okay, via e-mail.

CHAIR - We would probably be looking, Minister, for a bit of an indication of how long that might take. Is it going to be a lengthy process to provide that information?

Mr GREEN - It sounds like it is going to be a bit of a lengthy process to provide the information, Mr Chairman. I am just trying to ascertain here whether or not -

Mr SWAIN - My understanding is that there was a request made but there was a response from the Premier's office and DPAC saying that information would not be available across all portfolios

Mr GREEN - That was why I was going to read out a generic response. I stopped reading it because it seemed as if you had heard it before so I was not going to repeat it.

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CHAIR - The productive way forward, minister, may be that you review the request that we have made. Gary has just indicated that there was a response; we do not seem to have seen that so let us check the paper trail.

Mr GREEN - All right we will check on it, Chair, we are here to help.

CHAIR - Greg was going to have the next call for the overview and then we will come to you, Ruth.

Mr HALL - Minister, the freight equalisation scheme has been a hot topic for some time and obviously if we do not get the right outcomes with that then it has some very severe implications for Tasmania's agriculture and the economy as well. As I understand, there is a federal report that has been done. I am not too sure of the name of it, who commissioned it, or who actually did it but it has not been very favourable to the Tasmanian Freight Equalisation Scheme. Aside from that there was that \$20 million special assistance package. There has been quite a bit of criticism and I think that \$5.5 million of that was resolved and there was \$4 million into infrastructure at the Burnie Port, and another \$1.5 million has gone into setting up another bureaucracy to establish a freight logistics coordination team, so that is a concern. Do you accept those criticisms and what is the government doing to try to shore up an absolutely vital factor for Tasmania?

Mr GREEN - There has been and there is an issue of economies of scale around international shipping and the ability to get international shippers to call into Tasmania. Even though it is not my portfolio area, I agree that direct international shipping is something that would certainly be advantageous and has been advantageous to Tasmania in the past. I am told also that international shippers are making decisions with respect to the ports they call into, not to assure the people adjacent to that particular port that they want to provide a service but purely on economic grounds. They are making some fairly hard decisions and sailing past a number of ports that were international ports in the past and looking to consolidate around major ports in Australia - Melbourne being one of them.

We have argued on a number of occasions now that within the freight equalisation budget that has not been fully utilised, the commonwealth ought to redistribute that to assist us through this issue we have with the international shipping. The \$20 million came forward as a result of that lobbying as a one-off. Thought was given as to how best to apply those funds and the money has been applied. Whatever you do there is always some criticism. When I was talking to the Burnie mayor recently he suggested that he was very happy that there were opportunities because he has been bursting at the seams to fix infrastructure at Burnie so I do not believe that that money is not being spent appropriately.

Having said all of that, yes, it is an issue that we have. To make a ship come here is pretty difficult at a time when international shippers are making some pretty tough decisions about how they operate.

Mr HALL - I understand that and we are geographically isolated. I understand that some of those larger shipping companies do make those commercial decisions. Do you think there is any danger that the federal government may at some stage take away our freight equalisation scheme?

Mr GREEN - We will always be advocating that the national highway and all of the equity arrangements that exist and should exist for Tasmania should remain into the future. But you get purists' views of the world from time to time.

Mr HALL - I think all three political parties in your House strongly supported the motion that I moved. It would cause huge economic damage to Tasmania if we didn't have that.

Mr GREEN - It sets us all a challenge that we have to lift the productive output of Tasmania, get the economies of scale to the point where international shippers are going to want to call in here and we are attempting to do that in a whole range of ways.

Mr WILKINSON - How do we do that? That is our aim, but are we offering any incentives? What are we doing to get these ships to come to the ports?

Mr GREEN - It is not my portfolio but if it was, I would be thinking about it. Some of the things that I mentioned in my opening statement about how we are trying to lift the productive output of Tasmania in general terms would go a long way.

We are going to continue to get direct shipping opportunities and the mine that we talked about will mean that there is direct shipping out of Burnie for hematite. We are seeing direct shipping in vertical integrated arrangements, so from Grange Resources where they ship directly, and we see on a limited basis these days direct shipping of woodchips from Tasmania. But general freight, boxes, it is more difficult and they are trying to drive an agenda nationally and internationally on centralising international port operations, which means that we are slightly off the map when it comes to that issue.

Mr WILKINSON - In short, are you saying that the more we can produce the more companies will realise that Tasmania is the place to come to to do business?

Mr GREEN - Yes, there is business to do.

Mr WILKINSON - There is business to do because of the amount of freight.

Mr GREEN - That is the only reasonable answer you can give other than trying to change their view about having a centralised international port in the Port of Melbourne, for example. Obviously the Victorian government is spending a lot of money, money that they are taking effectively out of the pockets of Tasmanians as a result of their decision, which is very frustrating to us. They are upgrading their international port facilities there.

Mr HALL - Thanks, minister.

Ms FORREST - Minister, you mentioned that you are tracking to make the savings required of your department in this last financial year.

Mr GREEN - Yes.

Ms FORREST - Can you tell us how you have achieved that and also how you expect to achieve the extra 2 per cent you have to save across your portfolio for the coming year? What sort of things are going to be taking a hit?

Mr GREEN - The secretary and I are in discussions about the next round. I don't think I can give you an accurate answer as to exactly where we plan to make the savings. The secretary and I have had the discussions about moving forward and he has some ideas he wants to put to me. We

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can give you a breakdown of the savings, but we are working towards achieving the savings next year. Some of the savings we have achieved in the parks portfolio -

Ms FORREST - I am talking about your area.

[9.30 a.m.]

Mr GREEN - I know that, yes. In the Land Titles Office, the strategy in respect to Land Titles Office Statutory Fees has been fully implemented and the new fees were published, so that is a revenue measure. The

Mr EVANS - The savings target in the current financial year except for the agency was about \$7.2 million. Of that, \$4 million was attributable to Primary Industries and Water and the sole strategy for raising that money was through a revenue increase. The Land Titles fees had not been changed for a decade and that was because they were at that point exempt from the Fees Unit Act -

Ms FORREST - Exempt from it?

Mr EVANS - For a period of 10 years.

Ms FORREST - When they were set, is that what you are saying?

Mr EVANS - Yes. That came to an end at the end of last financial year and we applied the fees unit multiplier and increased the fees accordingly which would account for the \$4 million increase in revenue.

The reality is that with the downturn in the real estate market we will not achieve the full \$4 million but we will get about \$3.4 million of that so we will be about \$600 000 shy through that revenue raising strategy in meeting the \$4 million target. We are looking at other internal ways of meeting that shortfall. We did our own midyear budget review in December as an agency and put in place some additional measures and we are on track to achieve across the agency and across the portfolio a balanced budget by the end of the financial year.

Ms FORREST - What are those measures that you have used?

Mr EVANS - A whole range of different things relating to accommodation, consumables and staffing. We have had, like all agencies, very strict vacancy control programs in place. We have used a number of measures provided for by the Premier as part of her productivity strategy with the workforce renewal incentive program. It has been a diverse range of strategies that we have employed across the agency to make the additional savings.

Ms FORREST - I note in budget paper 1 it talks about the consolidated fund revised expenditure by agency and under Primary Industries, Parks, Water and Environment which is not all yours I know but part of it is. Has it decreased in Primary Industries, Parks, Water and Environment to in effect provide cashflow to Water for their future projects which would be yours and the Three Capes Track which is not yours? Is this a deliberate shifting of that expenditure out so that you can have it appearing as an unspent amount? We see at times delaying expenditure for various reasons may be legitimate but it could mean that we need to make it a bit better next year.

Mr EVANS - I am advised that they are just cashflow changes into the out years.

Ms FORREST - The way the money has been spent?

Mr EVANS - Yes.

Ms FORREST - And the timing with it that is all it is? So as far as the savings for this year you obviously have to try to make up that \$600 000 plus - what is the savings requirement this coming year in dollar terms?

Mr EVANS - We have to reach new budget savings of \$2.7 million into the next financial year.

Ms FORREST - So what are some things you are looking at to achieve that because I am sure you would have done it?

Mr EVANS - We have done some planning around it but we will come forward with some options to both ministers -

Mr GREEN - I will have to make decisions.

Mr EVANS - and then we will have a look at the strategies for how we move forward into the next financial year.

Ms FORREST - This is one of the things that concern a committee such as this in approving a budget. I used an analogy earlier in the week with the Minister for Health when if we had known last year where those cuts would have gone we might have had different discussions around the table. What we are hearing from you now is that yes, you have to make these additional savings of \$2.7 million plus \$600 000, so over \$3 million, and you have no idea of what services could be cut to achieve that or without some sort of indication of where you are looking for these savings.

Mr GREEN - I can understand where you are coming from. From my point of view we have to give some thought to how we manage our way through the year. It is not just a matter of coming back and saying straightaway we are going to do this. There might be innovative ways that we can make the savings; there might be some programs that we have to cut. There are decisions to be made and I have not made those decisions.

Ms FORREST - We are criticised by the general public because you supported the budget didn't you, as we did, that allowed us not to get our hip replaced. And we say, yes we did but we did not know at the time where it was going to go. That is why I am asking the question. What sort of things are you looking at here that we might see that the fight is going to start later and constituents are going to come to us, we have very big agricultural areas. I know that the member for Hobart has not got much agriculture in his area and he might not have to have the fights that we do. If there are significant cuts to services and the criticism will flow to you as minister and the people say to us that we approved it.

Mr EVANS - I understand your point. We also need to put into context though, this is a 2 per cent reduction so it is not going to result in massive loss of services to agriculture and there are many ways that you can accommodate a 2 per cent reduction. We do run very leanly at the moment because of the series of budget cuts we have had made until now, so we are going to need

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to look very carefully at how we find another 2 per cent. We will put forward a range of strategies about how we might do things differently, or about how we might reorder priorities. We have done some early thinking about that but we need to talk to our ministers about some of those options before we can make any decisions.

Mr GREEN - I understand the context but, being honest with you, we have not made any decisions about how we are going to achieve the cuts. I can understand why that is frustrating. What we are saying to you is that this is the challenge that we have been set, and we are about to embark on trying to achieve those challenges.

Ms FORREST - I will direct people to *Hansard* for this discussion when we get caned for something later on down the track.

Mr WILKINSON - May I ask a supplementary on that. It seems like a dorothy dixer but credit where credit due is my view. I understand the department since the GFC has taken the GFC seriously, and some might argue more seriously than other departments, and as a result of the GFC up until now has been taking positive steps to reduce costs and come in on budget since the GFC. Is that right?

Mr GREEN - Yes.

Mr HALL - He is very helpful.

Mr WILKINSON - You criticise where you can but -

Ms FORREST - I am not denying that but, because you have done such a good job in meeting the challenges, where do you go now?

Mr GREEN - We are trying to maintain the core frontline services around biosecurity and ensuring that we maintain confidence across the board when it comes to agricultural production working with industry in ways that we have not worked with them before and we have encouraged the industry. Yesterday was a good example of taking up the cudgels and working as an industry as opposed in a fragmented way to achieve results. There is a range of ways that we can maintain what we are setting out to do but in a leaner way. I can understand the frustration of the secretary and everyone else when year-on-year we have had to make cuts and it has been tough.

Mr VALENTINE - Statutory obligations still have to be delivered, don't they?

Mr GREEN - That is right. They have had to do that in the face of other areas of government not facing the same cuts now as the frontline services - the revenues that are coming to the state, which is something that we cannot hide from, have changed. The information that is provided to us these days says there has been a structural change across the country in the way that people are saving and spending their money which is having an impact on the GST. I know that you know all that. That means we have to cut our cloth. I am sure we can manage it and I am sure we can maintain the frontline services - the core objectives of what the department has to achieve. None of it has been easy.

Ms FORREST - I said that.

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Mr GREEN - There has also been an opportunity for renewal as well, which has been good in certain parts of the department where people have been given the opportunity to move on and we have grads and other people in to start to renew.

Mr HALL - I would like to make an observation there, minister. In my time in agriculture in every town we had an old agriculture department branch office and extension services for each of the industries, but there has been that fundamental shift across to private enterprise and people like TIAR and so on.

Ms FORREST - TIA now. They have dropped the R.

Mr HALL - Minister, turning to another subject, I had written to the Premier about this matter and I had copied you in, and that is to do with farm mediation laws. In other states like Victoria, New South Wales and Queensland, there are farm mediation laws whereby if a bank is going to foreclose on an agricultural business there is a provision in legislation for a mediator to come in and assist. Unfortunately over the last few days I have had some - we have agriculture out there as our bright spot, but it would seem that some of the big four banks are coming on very heavy, if I could put it that way, with some of their clients. They are doing revaluations of their properties, they are looking at their equity ratios, and there are some people there under extreme pressure. Could I say that they are probably people who have borrowed for water resources or all sorts of reasons? I am putting it to you, would you reconsider, or would the government reconsider, looking at those farm mediation laws that are there so that there is that additional buffer between foreclosure and staying viable?

Mr GREEN - The advice I have, and it forms the basis of the response by the government to your concerns, is that Tasmania is in a slightly different space when it comes to foreclosing on farm businesses. Tasmania, I am told, has a very low incidence when it comes to that.

Mr HALL - It has changed, quite dramatically.

Mr GREEN - For businesses that are in serious financial difficulty a free professional counselling and debt mediation service is already available to farms and fisheries through our Rural Financial Counselling Service, which we put an amount of money into each year. We have committed \$40 000 a year out to 2015 for that particular service. Introducing a compulsory debt mediation system in Tasmania would incur fairly significant administrative costs for the state. The critical question is who would pay for those services and the costs that would be required.

I am told that New South Wales and Victoria have compulsory debt mediation legislation in place for primary producers, and New South Wales and Victoria have different approaches to sharing the costs of mediation. New South Wales is effectively a user-pays system and Victoria is proposing a government-subsidised arrangement.

We have recognised that there is a problem, particularly through the drought and it was those times when the financial counselling services that we have were put into play.

What you are saying to me, though, is that now it is based on pure economics associated with farms and their ability to meet debt.

Mr HALL - There is plenty of anecdotal evidence out there in that I believe unfortunately equity levels have dropped in the last 12 months and a lot of land values have come down about

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20 per cent. There are many agricultural properties on the market at the moment not moving. When they do not move - that is what is happening.

Mr GREEN - They were all bought for trees when the managed investment schemes were around.

Mr HALL - Yes, but there are a lot of -

Mr GREEN - That was an argument that was being put forward, wasn't it?

Mr HALL - Yes. Even if you consider the member for Murchison's area - I think that is well recognised there are a lot of dairy farms on the market at the moment, and they cannot move them and dairying is one of our bright spots.

[9.45 a.m.]

Ms FORREST - Some of those properties are deteriorating as they sit on the market and I am sure the minister would be aware of that.

Mr HALL - There are some real fundamental issues out there that are quite concerning and I know a lot around my area and the TFGA have just given me some in the last few days.

Mr GREEN - It is a hard one - I take at face value what you say with respect to foreclosures and issues associated with equity on farms, based on land values. But weighed against that is what is happening in expansion plans in Burnie at - not National Foods anymore - Lion, where they are spending a significant amount of money and will require an increase in milk.

Mr HALL - I agree with that and that is all good, yes.

Mr GREEN - We need to understand why dairy farms are on the market at this stage and for what reason. I would have thought just the opposite really.

Mr HALL - That is not quite the reality up there.

Mr GREEN - And in talking to institutional investors as well, and this is an area where we could have an affect, I have been talking with the secretary about this, we are involving TIA in establishing an appropriate forum where we get a whole range of interested investors together on the back of what we are trying to achieve from an irrigation point of view. But start to think about the models have been applied, say, on King Island where a particular institutional investor owns about 15 per cent of the island producing a lot of beef and dairy, where we start to get people involved from a superannuation point of view in seeing farming as a good solid earner for the future, which then underpins our economy.

Mr HALL - I have had a long history in that sort of industry and the last thing I want to do is talk it down. The fact is, even though milk prices have been solid for the last couple of years, bearing in mind that there could be a 9 per cent drop in the opening price for the coming season, that is what is mooted at this stage, but the input costs have risen significantly and that is part of the problem.

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The other problem is should it be that the banks, you were saying, minister, that there is an administrative cost to the state if you had to have some mediation, should the question then not be whether the banks should pay for that mediation? There is a good 'out' for you.

Ms FORREST - Go and deal with the big boys at the banks.

Mr GREEN - You have raised it as a problem and there is an issue, and that is something we will have to give our thoughts to.

Mr HALL - Thank you for that. I just wanted to put the point to you so that you understand.

Mr GREEN - I am not sure whether the letter has gone back from the Premier to Mr Hall? It has.

Mr WILKINSON - In relation to those costs and the increase that Greg was talking about, what assessments have been done about how the implementation of a carbon tax will affect Tassie farmers, do you know?

Mr GREEN - There has been quite a bit of discussion about potential impacts and in putting forward the price on carbon package the commonwealth has faced up to a range of questions that were asked. There is a range of things happening at a national level. In generic terms if we go back to the argument as to why you would want to have a price on carbon and the reason that this whole economic reform has taken place in Australia, I guess you have to come at it from the basis of whether you believe it is sound logic to get involved in this or not.

From my point of view it is, and there is a range of reasons why that would be the case, not only to ensure that we minimise our effect and show some leadership when it comes to our emissions, but also the whole question about sustainability in general, and getting us as a society thinking about how we manage our way through all the difficult areas that confront us when it comes to sustainability of what we do. In the clean energy package, there is a significant amount of funding for a whole range of programs that I am sure farmers can get involved in. In terms of an understanding of a total impact on farmers -

Mr WILKINSON - You are doing a good job to pad it out until we can get that answer as to what the cost is going to be.

Mr GREEN - I don't have any specific information on that, other than that there is \$16.8 billion available from the Australian government under 25 programs as part of the Clean Energies Future, and the department is also partnering with supported stakeholders to progress a number of applications under that plan. We are trying to assist. Additional funds have been provided by the Tasmanian Climate Change Office to TIA (Tasmanian Institute of Agriculture) to develop publications on how climate change will impact on agriculture at a regional level and how it might impact on crop sales. The publications will be progressively released during 2012 and that will help farmers develop strategies for their businesses to adapt to climate change. The actual cost of the price on carbon, in the effect it might have on our farms, is something that will need to be thought through.

Mr WILKINSON - It is a hard question.

Mr GREEN - It is a very general hard question. If they are under 50 megawatts, in terms of usage, obviously the savings that we are trying to achieve on potential increases in bills would be affected by the \$37 million that we are putting forward to ensure we minimise the impact of price increases when it comes to energy. The 6 per cent overall, when it comes to carbon, is something that is offset in a whole range of ways but, when it comes to farmers, I do not think that they would necessarily qualify for many of those savings, would they?

Mr WILKINSON - Is it fair to say that we are unsure at this stage of how it is going to affect the pockets of farmers? We know it is going to affect them, but at this stage we do not know by how much. Is that a fair summary?

Mr GREEN - It would be case-by-case.

Mr WILKINSON - It is going to cost them more as a result.

Mr GREEN - In terms of the cost of energy, there is no doubt a cost associated with that. That is something brought forward at a national level and is in many ways beyond my control.

Mr WILKINSON - I have another question in relation to TIA. It has been a good partnership between the government and the university in relation to TIA. What projects are they looking at, at the moment, and how much funding are they getting from the government to look at those projects?

Mr GREEN - We can provide that information. I also have some advice here on other opportunities. The Tasmanian Institute of Agriculture has applied for funding of around \$8.1 million to create opportunities for carbon farming and trading in Australian temperate agriculture under the Carbon Farming Futures Program. It may well be that, as a result of that, there is an opportunity for farmers to get involved and actually make some money as a result.

In terms of the achievements, there are many and I agree with you - the partnership we have developed with the university has been first class. What sets us apart from other states is that we only have the one university, which in our case is a good thing because it allows us to partner with that university in a way that other states can't do. That has allowed us to build up a very strong relationship with them.

During 2011, the institute changed its name and we are all getting our heads around that. TIA pioneered a new model for the agricultural industry by integrating research, development, extension and education, providing a level of support to the Tasmanian agricultural sector which exceeds anything provided by any other university in Australia. TIA has a five-year strategic plan which is aligned with the Tasmanian Economic Development Plan. It builds on TIA's extensive collaboration with industry and a number of state government departments. Undergraduate enrolments are up by 20 per cent and currently sit at twice the national average per capita. TIA is engaged in specific programs aimed at addressing the acute skills shortage in the industry.

A new management structure ensures a seamless delivery of research, development, extension and education services. A key feature of this structure is that the positions of director and head of school are now held by a single person. In 2011, Professor Holger Meinke was appointed as the director of TIA and the head of school. Recently, Prof. Meinke was elected deputy president of the Australian Council of Deans (Agriculture). The institute leads the nation in a number of key activities - it is one of the highest-ranked universities in agriculture under the

Excellence in Research for Australia assessment of higher education institutions. It received the highest possible ERA ranking of sustainability above the international ability for horticulture; it is the leading agency for the Australian cherry, walnut and hazelnut industries as well as the processed potato, bean and pea industries. TIA also leads the nation's apple, pear and orchard productivity program; it co-led the food safety portfolio for the National Food and Nutrition Strategy; it is a node of the Australian Wine Research Institute, and TIA also leads several international projects which showcase Tasmania's capability to attract students and investments.

Major new grants to TIA include the following projects: productivity and profitability of Indonesian plantations, \$1.8 million; overcoming technical and marketing restraints for the beef industry in Vietnam, \$1.2 million; climate change mitigation and adaptation in the Australian dairy industries, \$550 000; biological control of weeds in south-eastern Australia, \$500 000; and new flavour products from Tasmania's blackcurrant juice, \$377 000; and we also have other extension programs under way.

Overall, it is fair to say that TIA continues to do very, very well. There is a whole range of other areas I could talk about but, in essence, the partnership continues to be very good.

CHAIR - Minister, you would be well aware that TFGA - Tasmanian Farmers and Graziers Association - has been less than complimentary about the state budget in terms of its representation. What is your response to that?

Mr GREEN - TFGA does a good job in lobbying on behalf of farmers in Tasmania and I believe I have built up a very good relationship with them. We have faced some pretty difficult decisions over recent times, particularly in the stand-off we had on, say, chemical regulations and the legislation we were looking to put forward. Nevertheless, we were able to work with them and understand their position. If you have a look at the budget and what we are trying to do from the farming point of view in Tasmania, and our interface with farmers, it is slightly rich when we commit as much as we have overall to improve opportunities for the state and the opposition then come forward and effectively put \$1 million a year on top of that for the next four years as a promise and suggest that they are going to increase productivity by a billion dollars as a result and all of a sudden they get a big tick and we get a big cross. I think that is a bit rich because overall I do not think that anyone can deny that we have taken a strategic approach to growing opportunity. Sure, some of the programs we would like to have funded on an ongoing basis like the Wealth from Water project have not been funded to the extent we would have liked, but at the same time we are using Tas Irrigation and the professional people we have involved there to look for opportunities to grow the sector.

[10.00 a.m.]

On Monday I was able to announce a partnership with TEI involving secondments from the department to concentrate on ensuring that we look for investment opportunities for the state, which goes on the back of what I was talking about a little while ago in trying to get more investment. It is not too dissimilar to Mr Williams who invested a significant amount of money in the state and started to get us thinking differently about how we might see the future when it comes to agricultural production.

I am a little bit dirty on the fact that they gave us some crosses on the budget over all. But I don't think that the opposition is doing us over in any real way there because I know our credibility is intact when it comes to our relationship with the TFGA and what we are trying to achieve.

CHAIR - When you were answering a question from Greg you mentioned rural financial counselling services. You would be aware that their brief is restricted to the agricultural sector. Given the challenges -

Mr GREEN - They have been working with forestry.

CHAIR - I was going to go to the forest issue, given the challenges to forestry. Still, I understand rural financial counselling services are restricted by their operating procedures under federal government funding to strictly agriculture. For a very small addition to their budget, I understand that they could provide that valuable counselling service to those in the forest industry who might need it. Would you be of a mind to make a representation to the federal government to expand that program, ever so modestly, to provide that extra financial counselling service to forest operators?

Mr GREEN - We did exempt fisheries when the Chinese rules changed for rock lobster fishers and others. There were some issues there in their ability to manage their financial circumstances. I deal with many of these people every day of the week in the contracting fraternity who are finding it amazingly difficult to meet their payments, even in the plantation sector these days. We have to do our best to help them. We have, through our relationship with ForestWorks, ensured that there is some ability for us from a counselling point of view.

I am prepared to take onboard any idea when it comes to making sure that we help people through what is a very difficult time for them.

CHAIR - Taking that onboard would mean a representation to the federal government because RFCS operates under them.

Mr GREEN - Yes. We put in \$40 000. I meet with them quite regularly

CHAIR - Are you going to make representation to the federal government?

Mr GREEN - I am more than happy. Have you been speaking to them recently or not?

CHAIR - To RFCS?

Mr GREEN - Yes.

CHAIR - Some months ago now.

Mr GREEN - It would probably be about two months ago also when I spoke to them. The issue of forestry was raised and I thought that we gave them the opportunity to talk with people in that regard.

CHAIR - I don't know that you can do it. I think it is the federal guidelines -

Ms FORREST - It is interesting that forestry is considered agricultural for most other purposes.

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Mr GREEN - Yes, when it comes to planting trees. I do not think I am going to get myself into strife by saying I am more than happy to lobby in that way.

CHAIR - It would be a very proper process.

Mr GREEN - We have demonstrated that we want to work with people and industry generally, and if you think that might be an additional opportunity for us to do something, then I would be more than happy to do that.

What did you mean by 'a small amount'?

CHAIR - \$100 000.

Mr GREEN - A year?

CHAIR - Yes, very small in the context of the federal budget, minuscule. You would be aware of the special assistance package for local exporters, the \$20 million package, and the fact that again the TFGA -

Mr GREEN - Is this following on from Greg's question?

CHAIR - No, it is the special assistance package for local exporters. There is a \$20 million special that was on the back of the -

Mr HALL - I raised that in the context of freight equalisation.

CHAIR - Did you go down that \$20 million?

Mr HALL - Yes.

CHAIR - I thought that was a component of the freight equalisation. I will have a look at the *Hansard*.

Mr VALENTINE - Relating to a comment from the member for Murchison, that forestry is possibly seen as agriculture, has there been any consideration of actually merging forestry and DPIPW? It is just a question.

CHAIR - It's a good question.

Ms FORREST - And we are waiting for the answer.

Mr GREEN - You put me on the spot there. I guess it goes to the broader question of forestry and the sustainability of forestry within the current market demand situation, and the interface between forestry and agriculture generally. The first answer would be no, not from a primary production point of view to merge forestry. Having said that, there are many parts of the interface between farm and trees that could be very useful for us when it comes to whole farm plans and the ability for farmers to earn money, particularly when it comes to growing our sawlog opportunities in the future.

Trees on Farms has been put forward by Forestry Tasmania as an opportunity for us into the future. We have plantations there now, but most of that was based on a fibre and softwood production. What FT is looking to do now, particularly with dairy farms and the buy-back of a number of those farms that went under trees for the dairy expansion in the north-west is facilitating a sort of trees on farm arrangement where we grow sawlogs where trees are more isolated and are grown more as they would be in the natural environment for sawlog production as opposed to a strict, fenced-off plantations regime.

Mr VALENTINE - My corollary question to that is about industrial hemp. I know that that has been brought to the lower House by the Deputy Leader of the Liberal Party.

Mr GREEN - That's right.

Mr VALENTINE - I know it has been agreed by all parties that investigation happens there. Do you know whether there is any movement in that because that will actually produce a greater percentage of fibre per volume than eucalypts. It could well be a bit of a saviour, given that it is an annual crop rather than a 20-year cycle, where it sits idle for 20 years.

Ms FORREST - And diversifies the economy.

Mr VALENTINE - It diversifies and many industries can spawn out of that - the fibre industry for clothing, food oil, ethanol, although that is not so environmentally friendly, but all of those things. Where is that at currently?

Mr GREEN - We have been thinking about hemp as a crop for Tasmania, I have to say mainly from the point of view of trying to get over this hurdle of the hemp seed achieving food standards, which is a big problem for us. We would be able to achieve much higher values for hemp seed than we are now because most of it just goes into pharmaceutical-type products as opposed to food products. We have been lobbying hard and I have asked the question on a number of occasions: is there some way we can put in our own rules when it comes to food standards to allow us to provide an opportunity on the back of our poppy industry here and knowing that we have great credentials when it comes to managing crops even though THC levels in this sort of crop that we are talking about are very low there is still a problem, as the police see it, when it comes to lots of hemp being grown and other sorts of hemp being grown -

Mr VALENTINE - You have done it with opium poppies.

Mr GREEN - and maybe people cutting not-such-good hemp into the good hemp and bulking things up. There is a whole range of things that become an issue when you are talking about this crop weighed against the actual drug crop.

Mr VALENTINE - We have managed opium poppies, though.

Mr GREEN - We have actually asked that question and the reason I am supportive of the committee that is being put forward is that it will allow us to have an open discussion of what is required from an infrastructure point of view when it comes to a crop like this being put in -

Mr VALENTINE - Fibre processing and all that.

UNCORRECTED PROOF ISSUE

Mr GREEN - Yes, and the infrastructure costs associated with that are high. If there is a business opportunity for someone to get involved, of course, we would want to look at that. Our best opportunity, though, to extract as much value as you can is to ensure we can utilise hemp seed as a food product. At this stage we have not been able to convince FSANZ to get that over the line.

Mr VALENTINE - I invite you to read my inaugural speech. That will have a little bit of detail in it.

Mr HALL - You were smoking.

Laughter.

Mr VALENTINE - What was that?

Mr GREEN - He would have been smoking at the time, he said.

Mr VALENTINE - No, not quite.

Mr GREEN - When it comes to Forestry Tasmania and farms and general, I expect I will get some questions about that later on this afternoon. I suppose the short answer is no, we will not be.

Mr VALENTINE - It would fit well with Parks. They have lots of parks, too.

Mr GREEN - There may be some more land use in land management stuff but no decision has been made about that at all.

Mr HALL - Minister, just a quick one. Obviously, as in the budget speech by the Premier, agriculture is one way that the state will progress in these difficult times, and we have to have that private investment and wealth-generating industry. I would just like to ask you your view on foreign investment and foreign ownership of land in Tasmania bearing in mind, as I think Senator Xenophon has a private member's bill at the moment which wants to severely limit that. I have to say that I do not agree with that because I think we need every impetus we can get. It has to be kept in balance, of course. I am just interested in yours or the government's view with regard to those, bearing in mind we have people who get concerned about Chinese investors but then again, if we look at the Kiwis who have come in and, dare I say it, the Dutch farmers and English farmers who have come in over time and they have been very productive for the Australian agricultural economy.

Mr GREEN - Yes, they have and I am like you, even though regarding this whole land ownership issue and the rights and wrongs of foreign investment, when it comes to owning land in Australia it is a federal government issue. My personal view is: I would like to see - remember how we celebrated when Fuji came to Tasmania and bought Mount Morriston and vertically integrated that. He told the world how good our product was and made fantastic material and suits from it and we got a huge boost out of that.

For example, Brown Brothers buys Tamar Ridge and it is a good thing. I cannot stop a Chinese company owning Brown Brothers in the future just as I cannot stop a Kirin or Lion owning Boags and/or the dairy factory in National Foods.

Mr HALL - That is right, National Foods.

Mr GREEN - What I am looking for is making sure that we allow people to understand that Tasmania is open for business. If we have people with capital to spend to grow various sectors of our economy then I would be encouraging them to come, in the same sort of model as Fuji when they came to Mount Morriston. I thought that was a great thing for Tasmania.

[10.15 a.m.]

I think the Wealth from Water stuff that we are doing, the investment opportunities that are going to come about - I was just reading in the paper today that Tasmania is the second best place in the world to invest in the wine industry - I see that there are great opportunities in that regard.

With blueberries in an area that you know with Costa and Berry Exchange [CostaExchange], we need people with big dough to get our economies of scale up and to start to lift productivity in some of those areas. We can have cottage and then we can have mainstream. We can fit in with the eastern seaboard. I would like to see much more investment in greenhouse and we talked about that, particularly from the north-west coast point of view with our length of day. We have long light.

There are really good opportunities for significant investment in Tasmania and we are trying to underpin that with the irrigation development. While ever we are ahead of the game - and we are ahead of the game as the federal minister told us that the other day at the Midland opening, that we are the only state in the country that is actually progressing irrigation development; he is faced with difficult challenges in taking water away from most other parts of Australia - we are going to be in a position through TI to continue to look at other opportunities for the state.

When funding becomes available through Infrastructure Australia or other areas, we are going to be at the front of the queue saying, 'We are ready to go on these things'. We have a competitive advantage in Tasmania because of our water, our soil and our climate, and various other things. This is what we need to do to take full advantage of that and we will be in a position to do it.

Mr HALL - Thank you for that. At least on this matter I am glad to say that great minds are on the same page.

Mr GREEN - Thank you.

CHAIR - Self-admiration?

Laughter.

CHAIR - Or mutual admiration, more particularly. Any further questions in the overview area?

Mr GREEN - This comes from a person who has been freshly re-elected and has confidence in his own ability.

Mr WILKINSON - What do they say: those who climb the highest mountain should not dwell there for too long.

Laughter.

Mrs ARMITAGE - A very short question. Going back to something quite easy for you, I am quite sure. You talked about the structural reform and the WRIPs, the Workforce Renewal Incentive Program. How is this department coping with that?

Mr GREEN - Is that the acronym, is it?

Mrs ARMITAGE - Rest in peace.

Mr MULDER - You do not even know the name of the most significant project for cost saving?

Mr GREEN - No, I know what the renewable -

Ms FORREST - He discussed it by another name.

Mr MULDER - How committed are we, minister?

Mr GREEN - I will let the secretary talk.

Mr EVANS - We have used this program extensively already. In 2011 we had a call for applications across the agency. We received some 40 applications, of which we approved and paid 24. On nine occasions we approved the application but the employee subsequently withdrew their application and we had about six that we rejected. We were very successful in the utilisation of the program in 2011. We have just recently held another round and we are in the process of working through a second round of the program as we speak.

Mrs ARMITAGE - What impacts has that had on the department as such, these changes?

Mr EVANS - It has provided, as the minister mentioned earlier, opportunities for us to renew the workforce. The objective of the program is to provide staff members who are approaching retirement or want to do something different to move out of the agency, with a small incentive, and then for us to be able to reorganise how we do things or get someone young and new into the agency, with the objective of renewing the workforce. That is the whole aim of the program. Generally speaking, I think that has been helpful and successful as a tool for how we manage human resources within the agency.

Mrs ARMITAGE - Savings achieved? You would have liked to get some savings as well.

Mr EVANS - Often you have people who have come through the ranks

Mr EVANS - Bit like yourself - top of the tree.

Mr EVANS - Yes, and you can redesign jobs and bring in new graduates and younger employees.

Mrs ARMITAGE - I understand that. I am asking if there have been savings achieved?

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Mr EVANS - Yes, there have been significant savings. I do not have those off the top of my head.

Mrs ARMITAGE - But there have been some significant savings?

Mr EVANS - Yes.

Mrs ARMITAGE - And you could provide what the savings are so that we can see that there have been some savings from all this work that has gone through?

Mr EVANS - Yes. It is difficult to do because we have not replaced a person on every occasion; sometimes we have moved people around within the organisation. On other occasions we have totally redesigned the job. On some other occasions we have filled the position with a new graduate or a younger person. It is difficult to quantify the savings but we can provide you with some information about it.

Mrs ARMITAGE - That would be good. It is good to see that there is an outcome for the work that you are putting in, that it is not just happening as an exercise.

Mr GREEN - We will do that.

Mr EVANS - We have a business case we have prepared that we could provide for you. I was going to add that in terms of the recent round of WRIPs we have had 31 new applications on top of the 40 from last year of which we have approved 17. Six were not supported, and five were withdrawn.

Mrs ARMITAGE - It is interesting that they are withdrawn; quite a large number last year as well.

Ms FORREST - Can you tell us whether there have been any board or committee changes? That was one of the savings strategies announced a couple of years ago with amalgamations of boards or abolition of boards.

Mr GREEN - Establishing Tasmanian Irrigation, Rivers and Water Supply and the TITP into one and it has gone very smoothly.

Ms FORREST - The expenditure on consultancies and advertising and travel?

Mr GREEN - Between July 2011 and April 2012, the department entered into 12 contractor agreements in excess of \$50 000. In 2010-11, the department entered into 23 contract agreements in excess of \$50 000. The combined value of the contracts was -

Ms FORREST - This is consultancy and contracts?

Mr GREEN - Yes, consultancies and contracts. The combined value of the 2011-12 contracts as at April 2012 was approximately \$1.9 million. Eleven of the contracts were awarded to Tasmanian suppliers with a combined value of \$1.6 million. Consultancies between 1 July 2011 and 20 April 2012 - the department has entered into one consultant agreement in excess of \$50 000. The value for the contract is approximately \$100 000.

UNCORRECTED PROOF ISSUE

Ms FORREST - For what purpose was that one?

Mr GREEN - The Three Capes Track. It was given to a Tasmanian company.

Ms FORREST - I was pleased to see that Zest pipes won the contract for the Midlands irrigation scheme too.

Mr GREEN - Yes, I am too. I was going up there to give them a pat on the back.

Ms FORREST - They have done a fantastic job of that business.

Mr GREEN - Payments with consultants between July 2011 and 20 April 2012: the department made payments to consultants of around \$599 000. Payments to Tasmanian-based consultancies were approximately \$454 000 of that \$599 000. Consultancies for the full financial year: four consultancy agreements in excess of \$50 000 were entered into. I am not quite sure why there is only one consultant in excess of \$50 000, and then I have over the page that there were consultancies last year.

Mr EVANS - That's for last year.

Mr GREEN - Oh, that's for last year, okay. Last year being 2010-11, and there has only been one in 2011-12. There were four in the previous year in excess of \$50 000, with a combined value of \$521 650, and the consultants agreements were awarded to two mainland-based consultants and two Tasmanian-based consultants.

The value of the agreements for Tasmanian-based consultants was \$149 000. In 2010-11, the agreements related to the development of acid rock drainage neutralisation systems, which was awarded to a New South Wales company; investigations into the tailings at Savage River mine; Aboriginal Heritage assessments in the Arthur-Pieman; and Aboriginal Heritage assessments for the Three Capes Track.

Ms FORREST - Do you have details about advertising costs?

Mr GREEN - No. Travel: as part of the budget management strategies introduced in the 2009-10 state budget, the target for the 30 per cent reduction to travel was announced. The department has met this target. In April 2012, total expenditure from appropriation for interstate and intrastate travel and accommodation was \$914 000. This compares with \$1.15 million for the same period last year, which represents a 20 per cent reduction. Importantly, this represents a significant reduction of 36 per cent when compared to April 2009 when it was \$1.48 million. Some of it related to programs such as the fox taskforce to deliver a stock line.

Ms FORREST - Don't mention the word.

Mr GREEN - I thought that would get people up and going. The expenditures on domestic travel for 2008-09 were \$1.4 million, as I said; 2009-10, \$947 000; 2010-11, \$1.14 million; 2011-12, \$914 000.

Ms FORREST - Advertising?

UNCORRECTED PROOF ISSUE

Mr EVANS - I am happy to answer that, minister. I do not have a total budget. I have some costs associated with the major expenditures that we have.

Ms FORREST - For the major advertising programs you have run?

Mr EVANS - Yes, \$80 000 for the White Pages listing; we spent about \$40 000 on Agfest; a couple of thousand on agricultural show participation; and we produce a quarterly magazine called *Tasmanian Regions* which costs us about \$40 000. The total resourcing in terms of the Corporate Communication Branch, which manages most of this activity, is seven full-time FTEs and two part-time staff. They have a diverse range of responsibilities relating to those matters I have just mentioned. Also, one of their significant responsibilities is looking after the department's website. We have about 2 100 web pages and more than 6 200 attachments that we maintain as part of the internet site that we have.

Ms FORREST - It is always up-to-date then.

Mr EVANS - Yes.

[10.30 a.m.]

Mr GREEN - On overseas travel I should have mentioned comparable costs from the department in 2010-11 were \$59 147. This is substantially less than the cost in 2008-09 which was \$182 372.

Ms FORREST - Does that include your trip to China?

Mr GREEN - That would have come out of Premier and Cabinet or DIER. It is not in ours.

Ms FORREST - Minister, this probably needs to go to your corporate service manager. I will be surprised if you can answer this one but I am happy to give it a shot. It is regarding the treatment of the superannuation payments, so a quick turf to the man on your right.

Mr GREEN - Yes.

Ms FORREST - I am asking this in light of the changes that are being made by Treasury. How is the expense for defined benefit contributions currently accounted for? I am not talking about payments of benefits for retired members but simply the expense of the current members. How do you currently deal with the expense of defined benefits contributions?

Mr COCKERELL - Sorry, for the retired members?

Ms FORREST - No, the expense for the current members. How do you deal with that now?

Mr COCKERELL - We do that through the fortnightly payroll. There is a percentage on top of the salary and I think it is 12.3 per cent.

Ms FORREST - Yes, 12.3 for the defined benefit, and 3.3 for the defined contributions?

Mr COCKERELL - What we send is 12.3 per cent of the salary to Treasury and then from there Treasury look after it.

UNCORRECTED PROOF ISSUE

Ms FORREST - And Treasury put it in the SPA?

Mr COCKERELL - Yes, I believe so. That is their account for looking after superannuation.

Ms FORREST - How is it shown in your department's income statement and/or cash flow statements?

Mr COCKERELL - It is shown, I think, as superannuation expense.

Ms FORREST - It all flows through on those lines?

Mr COCKERELL - Yes.

Ms FORREST - What would the procedure be coming into 2012-13 and subsequent years? Because of the closing of the SPA it will be written off against the temporary debt repayment account. Does the department receive, as part of its appropriation, amounts to cover the cost of defined benefit super expenses for the current employees? Is that how it is going to work?

Mr COCKERELL - I have not received the details on how the bigger scheme is going to work and I am not anticipating any change in the process for us. As I said, it will be for us a calculation of the 12.3 per cent on the salary and that is what -

Ms FORREST - Is it going to be appropriated and then flow through in your income statement and cash flow statement?

Mr COCKERELL - Yes.

Ms FORREST - Will finance general pick up the tab for this? Finance-general will not be sent the money; it will come through your department and it will show up through your books?

Mr COCKERELL - That is my understanding. We have no advice to say that there is a change in procedures for us. That question is better directed to Treasury. What we will do is, we will do the 12.3 per cent of the payroll, which we are appropriated for and does show in our various statements, and that is pushed on to Treasury. From there, how it will be handled in their accounts and reported - I would suggest they are probably the ones who know.

Ms FORREST - But you do not think there will be any change because of the closing of the SPA - the superannuation provision account?

Mr COCKERELL - I am not anticipating any change to our procedures but I am anticipating changes to Treasury's, but I am speculating there. I have not been involved with them to that point.

Ms FORREST - I am glad you did not try to answer that.

Mr GREEN - Me, too.

Laughter.

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CHAIR - Minister, since you are no longer the only Green in the government -

Laughter.

CHAIR -my question goes to the fact that your other Green members of the government claim credit for various contributions to the budget and the budget outcomes. Can I then take it that they would claim success in the budget outcomes or the budget processes for the battery chook issue and the sow stalls issue?

Mr GREEN - As I indicated on Monday, I think it is fair to say that as part of the government processes it is an area in which we have worked in partnership. That is, I made the decisions and they supported them through the TOTE sale funds to assist in bringing them forward. When it comes to the sow stall issue, I have to admit that it was, from my point of view, based on advice from AWAC - the Animal Welfare Advisory Committee that even though I knew that I would have to confront those producers who had investments in the industry, it was a decision that I felt that I had to make. I was always troubled by the fact that I had made a decision that meant that they would have to invest more money to comply and I had made no provision for that at all. It was difficult to do but I did it.

I spoke with the farmers and they were always suggesting it was a bit rich under the circumstances to make that decision and have a transition arrangement at 2017. They felt that it was too tight a time frame based on the investments they would have to make to change. I was always thinking about that and when the opportunity came, I said to the Greens that this would be a good opportunity to bring that forward and they agreed. We spoke with the industry and we were able to bring it forward to next year - the changes with respect to sow stalls.

The support we have received from supermarkets and others will allow us to increase productivity in Tasmania and make it a very good news story for wealth generation for the state. Yes, I was very happy that they supported that \$500 000 or so and that money will be put directly to assist farmers to provide alternative arrangements with respect to production. I am really happy to say that in the discussions with the Greens, we were able to get to a point where the 10-day confinement arrangements put in place for that early part of gestation was agreed to as well. That makes the farmers happy and allows them to understand that their productivity, when it comes to pig production, will be maintained at a high level as a result.

I want to come to caged eggs. That is another area that has been talked about for a long time across the country. It is an area where Tasmania has an opportunity to have a competitive advantage while making sure that we put animal welfare issues front and centre. It is also an area where the industry has invested heavily in recent times in new facilities that comply with the national standards when it comes to caged egg production.

I had been speaking with the industry about the fact that they did not, for example, win the procurement of Tasmanian eggs at an industry level in the state. I learned that 50 per cent of the eggs that we consume in Tasmania come from interstate. I understand that there has been a change with respect to the way the market views production systems in a far greater way than they ever have in the past. You can see that happening on the supermarket shelves day in, day out. I also thought about it and weighed it against the cost of eggs and protein for Tasmanian people to be able to afford and enjoy as a food staple.

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In taking all of those things into consideration I thought it would be a good opportunity for Tasmania to be ahead of the game nationally when it came to caged egg production. I put it to the Greens, with them agreeing, that we start work on a transition for the industry and take the industry with us on that, so that \$2 million was set aside on that basis. I have to say that the industry has been fantastic. We have committed to develop a package over the next few months and we have set ourselves a pretty tight time frame on doing that. It will involve us in thinking about issues associated with procurement, advertising, and getting an agreement in Tasmania on stocking densities when it comes to free-range. That is a national debate that is occurring at the moment on stocking densities as an issue. We are putting all of that together as a package so as to ensure that we turn this into a really positive story for Tasmania.

We also want to work with those smaller producers of free-range eggs who tell us that they really cannot meet demand at the moment for that particular product in various sections of the economy, to assist them to grow some of those smaller businesses as well. Potentially, it is a very good outcome for the state. We have two caged egg producers in Tasmania, which means that we can stop further expansion of caged egg production in the state, cap the number of hens that are currently in caged production, and then work with the industry to progressively phase it out.

Mr HALL - With the pig issue, we only have a very small number of pig producers in the state, so are they going to receive capital expenditure to upgrade their facilities?

Mr GREEN - We are working through a program effectively to provide them with capital expenditure moneys to upgrade their systems.

Mr HALL - Just in the form of grants? Is that the way it is going to be?

Mr GREEN - We haven't finalised it but, yes, money will change hands, definitely.

Mr HALL - So when is that likely to be?

Mr GREEN - We have given an indication that we have to have that finalised by next year, 2013.

Mr HALL - At the moment I think we are bringing in about 2 000 dozen cackle berries a week from Queensland.

Mr GREEN - We can't stop interstate trade occasionally, so there will still be caged eggs on the market probably in supermarkets.

Mr HALL - I hear what you say about supermarkets having some differentiating products on their shelves now, but much of it is discretionary spending and many people will still buy, of course, the cheaper eggs and the cheaper pork.

Mr GREEN - Cage eggs, that is true, and the people that I purport to represent in the community generally, that is something that I have considered in this whole decision, this balance or this argument with respect to cost of production versus, as a community, what our expectations ought to be and whether or not it is fair.

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Mr HALL - Do you think some of those expectations from the community come from particular minority groups? I just don't see a general perception that some of these things have to be done.

Mr GREEN - Maybe.

Mr HALL - It is a squeaky wheel.

Mr GREEN - That is right, but you think about it these days. If you turn the television on and look at Kentucky Fried Chicken ads, what does it talk about? It talks about free range. They all end up getting eaten, but it talks about free-range chooks. Why are they doing it? For the goodification, they say. Goodification, it is a new word.

Ms FORREST - Oh, goodification. I don't watch commercial television, obviously.

Mr HALL - No, I haven't seen it.

Mr GREEN - That is what I am saying, it is mainstream. Have you seen that, Chairman? They are all jumping on board, so there is no reason why, particularly if we are taking the industry with us and they are agreeing, we cannot utilise this as an advantage for Tasmania overall. We can have the debate about genetically modified crops in Tasmania, whether it is a good thing or a bad thing. Purely on the scientific argument it is probably a bad thing, but for marketing Tasmania and looking for other opportunities it is probably a good thing.

Ms FORREST - The moratorium, you mean?

Mr GREEN - Yes, the moratorium. We weigh all these things -

Ms FORREST - We will get to that.

Mr HALL - Maybe.

Mr GREEN - That's right, I knew you would have a different view about that, so we weigh all these things, don't we. I know where you are coming from in whether there was any arm up the back here. No, it was something we thought our way through.

CHAIR - We will break, minister, for 15 minutes, but before we do I think there is every likelihood we will go beyond 5 p.m. That being the case, would you agree with us that we just plough on without a dinner break in between so we just keep going until we finish for the day? It could be six o'clock.

Mr GREEN - Most definitely, yes.

The committee suspended from 10.45 to 11.04 a.m.

Output group 1 Information and Land Services

1.1 Land Titles, Survey and Mapping Services

Mr WILKINSON - I know Ruth touched on it briefly but at page 21 of the March progress report it notes, and I will read it:

This shortfall of the revenue -

Which is \$2 million approximately -

from the original estimates will be offset by new expenditure strategies:

- (1) specifically the shortfall will be met through a combination of temporary measures.
- (2) internal structural savings.

Can I understand, please, what internal structural savings are and also temporary measures?

Mr EVANS - We did touch on this earlier this morning and we anticipate being in the order of \$600 000 short in terms of the \$4 million increase in revenue that we had targeted. In the current financial year we are meeting those through a range of strategies and using staffing freezes and things like that have generated some savings. We have undertaken a range of internal reorganisations. We have done an accommodation review and created some savings in accommodation. It is really through a range of different measures that we have been able to identify some further savings to offset that \$600 000 shortfall.

Mr WILKINSON - One has to ask at some stage how close to the bone are you where in the end you say you just can't cut any more.

Mr GREEN - If then you have to start to look at programs then it becomes a big issue, as the honourable member pointed out. They are potentially tough decisions and not ones that can really be done in isolation from the Tasmanian people - you have to make announcements and do all of those things. I am hopeful that we do not have to do that but I will be relying on advice.

Mr WILKINSON - I understand the department, from the GFC, was one of the major departments that did the things that should have been done by many, and obviously that was a hard decision, but then it keeps getting harder as you have to cut, cut and cut.

Mr EVANS - As I commented this morning, there is now very little flexibility left where we can make savings. With the next round of savings we are going to have to look very carefully at our service delivery and our priorities. We will work up some options and come back to the minister.

Mr WILKINSON - Can you give me an update of the review of the Survey Co-ordination Act, please?

Mr GREEN - The division is responsible for administering a variety of legislation relating to land administration, land acquisition, valuation and survey. The division undertakes a rolling review of its primary and secondary legislation to ensure that it remains relevant and establishes an appropriate regulatory framework. The Survey Co-ordination Act 1944 provides for the

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coordination of surveys, the establishment of a central office for the registration of surveys and the establishment of the Nomenclature Board for determination of place names.

Some elements of the act are outdated. Public consultation on the review of the Survey Co-ordination Act 1994 discussion paper was conducted in 2009. Reporting on the consultation was deferred. The direction of the review will need to be reassessed before further work is done in light of competing priorities and resource availability. Where is it at now, Kate?

Mr WILKINSON - So not much is happening because you have other priorities?

Ms KENT - Just a couple of points, one is that we still have it on the agenda but this year we have focused more on reviewing the Surveyors Act, which is another act in that area that needs to be reviewed and is probably a slightly higher priority. The second issue, though, is around looking at it more broadly as some of the other jurisdictions have developed things around what is called a spatial information act. We will do a bit more research in that area to see whether it broadens the need for that act in a changing technology world.

Mr GREEN - I advise that the Valuer-General, Warrick Coverdale, is at the table.

Mr WILKINSON - The Surveyors Act that you say is in need of amendments - is there going to be a complete new act, or is the old act going to be amended? If so, what major changes need to be done or, alternatively, what major flaws do you see in the present act?

Ms KENT - It is just in the line of giving it a bit of an update. It is a 2002 act so it is not particularly old in that sense but in terms of reviewing aspects regarding the registration of surveyors and the regulation of that. It is not that it needs critical review, but the Surveyor-General wants to look at some parts of the act that talk about the accreditation of surveyors and ensure that it is a bit more streamlined in that process.

Mr WILKINSON - There are no problems that have arisen out there in the real world which mean that it has to be changed to combat those problems?

Ms KENT - No, it is just like every other bit of legislation that we work with where we have statutory obligations. We are constantly looking at how to ensure that they are being effective and meeting the needs of what they set out to do. There was a bit of an internal review commenced some time ago and we are thinking about how we factor that into our work program. It brings that one to the fore a bit more.

Mr WILKINSON - Thank you.

Mr VALENTINE - Minister, with respect to the line item 1.1, land-based security is really the base of every start-up of business in Tasmania. Banks will not lend unless they have security; the security usually comes in the terms of land. Whether it is marine activity that they are undertaking or whatever, it is very important to the state, isn't it? What I am concerned about when I look at the performance information on page 11.10 of the budget papers, budget paper 2 [volume]2, we see the audited surveys complying with standards are 72 per cent. Which is, I would have thought, quite low when you consider what this is picking up, that they are non-compliant - 28 per cent non-compliant.

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I am concerned that in all of the cuts that you have to make as an agency that you are not cutting the performance of that statutory obligation, which is really important to this state. I want to hear your comment about that and whether there is an issue developing. I do not have the earlier years so I do not know what that performance level is like. It was 72 per cent in 2009-10 and 77 per cent in 2010-11. Earlier than that I do not know what those levels were. I am a bit concerned that if there are cuts being made in that surveying area that it might be to the detriment of the state in the long term.

Mr GREEN - Sorry, go on Rob, I am just thinking about the answer.

Mr VALENTINE - I was going to ask the question about how you measure that. I know in doing a little digging that if you have a line item in your records you have a recorders assurance fund and I am interested in how that is applied - what that fund is about. If someone could explain that?

Mr GREEN - With respect to the cuts - there are other issues associated in audits, investigations and complaints and the rest, but in terms of what is happening in our ongoing management, I will get Kate to respond to that.

[11.15 a.m.]

Ms KENT - In terms of the audits and performance information that you mentioned, the Surveyor-General does a series of audits and he completed a survey of 34 audits in 2011-12. The program that he has for those has seen that level of compliance increase and improve, and that process of auditing is about trying to ensure that we have -

Mr VALENTINE - This is private sector audits?

Ms KENT - Yes. It is all surveyors who are accredited under the legislation. It is bringing it up to ensure that their work is at a high standard and that level of performance is increasing. In terms of managing that audit program, he does that within his existing resources. In terms of the actual management of our structure, and when you talked about our budget resources, this division has had to manage within a constrained budget environment like everyone else.

Mr VALENTINE - I appreciate that. I am concerned that it might be detrimental at some point.

Ms KENT - Sure, I think that is the risk management approach we take when we are looking at where we can make structural changes. We talked earlier about where we utilised WRIPS, for example, and it was in renewing workforces. We have had several of those across our division. In this division we have had some positions redeployed, which have included some positions from the survey branch - it is called the Geospatial Infrastructure Branch - that has happened but our role is to ensure that we are still able to deliver on our statutory obligations and that the quality of the work does not change.

Mr VALENTINE - That line in your accounts, the Recorders Assurance Fund, can you explain to me what that particular fund is for and how you apply it, and under what circumstances do you use it?

Ms KENT - We do not have a brief on it, so I could probably provide you with a more detailed one, but I can take that on notice.

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Mr VALENTINE - Yes, I would like that.

Ms KENT - It is, again, under the role of the Recorder of Titles. She is required to ensure that the level of advice and information on how the processes work in the Titles Office is applied correctly. In the very, very small number of cases where there may have been errors there is a process and an appeal mechanism, and a process whereby she can determine that there has been an error that should be met through that fund. It might be better to provide you with a proper briefing note that explains the process.

Mr VALENTINE - I would appreciate that, Mr Chairman, if I can get a briefing on exactly what that is used for, but also its levels perhaps from 2002 up, or something. I would appreciate that.

Ms KENT - Definitely.

CHAIR - I just have one in this area, minister, and I will flag it for a more detailed investigation under your planning portfolio. It occurs to me that local government often meddles in the configuration of a proposed subdivision in terms of block orientation and all that sort of stuff. I have had numerous discussions with land surveyors. The contention could be this, and the question will go to this particular line item, that if that component of local government subjectively determining the shape of a block just simply shifts over to Land Titles, and as long as it complies with the law in terms of rights of way, or road frontage, or other access, council's only involvement might be to determine whether it is in the right zone and the blocks are of the complying size.

My question for this moment is: what impact would that have on the Land Titles area in terms of costs? Would there be extra resources you would need? You would know, minister, like the rest of us here, that there is a lot of frustration from developers when subjective assessments are made of block configuration and the like at the council level. My interest here is specifically to the impact, cost-wise, on the office if they had to make some further assessment, which I suspect they wouldn't. I suspect they already simply make the assessments as to compliance with the law.

Mr GREEN - As the secretary points out, there is a fairly hypothetical question in some respects, but I guess it is a given that there is a frustration there. I am not sure whether we have experienced any costs associated with -

CHAIR - -what they would be in the future if there was a change to be made.

Mr GREEN - if there was a change to be made.

Ms KENT - I am more than happy to take it on notice and have some discussion with the Recorder of Titles. I am not sure, trying to put it in context, of where it fits into our processes and what parts it would impact on. Maybe it is one we can have a bit more discussion about and talk with our planning colleagues as well.

Mr GREEN - I could see the previous mayors and other members from local government moving around in their seats as you were framing that question.

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CHAIR - I come from the same arena, hence the question.

Ms FORREST - I was quite relaxed. I am very relaxed.

Mr GREEN - I thought you had your old HIA (Housing Industries Association) hat on.

CHAIR - My old local government hat.

Mr GREEN - Oh, you had that one on?

Ms FORREST - He's got a few.

CHAIR - And talking with developers and land surveyors and the like is a huge frustration because of the subjectivity. That is more for planning later on.

Mr GREEN - I get frustrated by a number of these sorts of arbitrary decisions that are made along those lines that are having an impact. I also get frustrated about some of the arguments that are put forward with respect to the infrastructure costs and how they have been foisted back on the government. They are suggesting headworks charges and other things when it comes to the water and sewerage reforms.

CHAIR - Can we go there in planning?

Mr GREEN - Yes, we can.

CHAIR - That is the bigger picture. Specifically, at the moment, Kate has that on board. My question to Kate would be, can the committee be provided with that advice for this process, or is it going to take longer than that?

Ms KENT - It is probably just a couple of context issues, as I was saying to Kim, because I guess the other issue that we have been looking at through e-planning processes is ensuring that there is a more streamlined approach by digital electronic lodgement of a whole range of bits of information in the whole planning process, including title survey and other aspects. So there has been a fair bit of discussion across those groups of people - planners, surveyors, titles people - around how to develop those sorts of systems more effectively. So there is probably some information I could put together for you on some of those processes and how they work, and how they impact on the Titles Office in particular.

CHAIR - We will take a note of that, and in the other event, Minister, it may be that I write to you from the bigger perspective - from a government policy point of view, and there could be some matters taken up.

Mr VALENTINE - With respect to crown land that is currently occupied by people who are running a commercial business - imagine someone has a café, and there is one in Dunalley, my old home town, which sits down near the waterfront there - and they really cannot put money into their business effectively to develop that up. Banks are not going to lend to someone who is on a lease.

Mr GREEN - Yes, it is a bit like bowls clubs who don't own their land. It is a sort of perennial argument, isn't it?

Mr VALENTINE - That is right, but have you ever done any investigation into those parcels of land which really are not going to change in terms of their use in general terms? For a long time they may have been used, in this case as a café, so would it be possible to allow those businesses to actually purchase the land? That would be a good thing for you.

Mr GREEN - I believe long-term leases have been the way to go. We had a similar sort of thing, that I am sure the member for Murchison would be aware of, on the Wynyard wharf, with the redevelopment of the wharf and the impact it has had on the fish and chip shop there and their ability to invest and do other things, that I have been trying to resolve for a long time.

Mr VALENTINE - It seems to me, Minister, they are perfect opportunities to allow occupiers to purchase that land, continue to develop it, and actually get greater GST receipts back for the state - and you get a more attractive product.

Mr GREEN - On a case-by-case basis, but it is Wightman's area.

Mr VALENTINE - I totally agree.

Mr GREEN - I can only speak to areas where I actually tried to assist and Pedros is a good example at Ulverstone where we worked on a long-term lease that worked out well for him. He is more than satisfied with the outcome and it seems to allow him to invest in his business and do various things. Do you want to add anything?

Mr EVANS - I was just going to reinforce your comment that this is not part of this output; it is part of Minister Wightman's output. But in general terms, in terms of crown land and the programs that we operate, we are doing this now. We have just recently completed a program called the crown lands assessment and classification project - CLAC -

Mr VALENTINE - Yes, I know all about that.

Mr EVANS - and out of that we have made decisions about selling a whole range of areas of crown land to people and we are working through that sale process. We often get people coming to us and making applications. We have a legislative process to run through and operate to make decisions around selling crown land. So it is not as if the example you gave cannot happen already; but to actively go out and promote the sale of crown land - probably not.

Mr VALENTINE - No, I understand that there is a lot of community feeling around the sale of crown land. But where it is obvious that it is not going to be detrimental - and I guess you would have to have a public benefit test that it could happen - it could help your bottom line, or at least the government's bottom line, and it helps the community and the GST receipts.

1.2 Valuation Services

Mr VALENTINE - How are they coping with demand? Obviously, it is a slightly fluctuating budget, if we look on here. It goes up significantly in the next few years; why is that? Obviously, \$3 447 to \$5 859 is quite a significant jump. Is there a reason behind that?

Mr GREEN - The government increased funding to the Office of the Valuer-General by \$1.5 million per annum in 2010-11 and 2011-12, increasing by a further \$2.5 million to total an

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additional funding of \$4 million per annum for 2012-13. The funding has been provided to develop the state's revaluation system and move to -

Mr VALENTINE - -a more regular basis.

Mr GREEN - Yes - a two to three-year revaluation cycle and to provide critical support to the government's land tax reform process. Other funding will also reduce the Office of the Valuer-General's reliance on commercial revenue which currently provides approximately 40 per cent of its income.

Mr VALENTINE - Okay, that is an income source. What is the demand like? Is there a huge backlog in that area or not?

Ms KENT - We run a program of regular revaluation cycles now so the cycles are every two years.

Mr GREEN - You are locked in.

Ms KENT - We have a locked-in program of revaluations in which the next program is about to commence for the next 10 municipalities, so there is no backlog, per se.

Mr VALENTINE - There is no backlog; it is just a program of work which you feel you will be able to achieve in a reasonable time frame?

Ms KENT - Yes. And the other work that the Works area does is to do the valuations for things like those crown land sales that you just asked about then; so there is a range of other work that is all done as part of that office work.

Mr VALENTINE - That sounds good and it is funded well.

Mr COVERDALE - Part of that traditional funding is to shorten the cycle but there is obviously a review that has been under way - the valuation and rating review which is not finalised as yet - and the outcomes of that will have some impact. I have been working on the basis of putting a land cycle in between for land tax purposes but it has to wait until the end of that review at the moment. There are various options we are looking at but I have been working toward putting best practice systems in place. We probably have the best GIS (Geographic Information System)-based valuation system out of any of the jurisdictions now. I put together a team in regards to that to put us at the forefront of technology so that it's electronic, moving the whole thing from old paper-based systems where everything is on the laptop in the field. The mobility is there so that we can get better efficiencies.

Mr VALENTINE - May I ask a supplementary question about the challenges to the valuations?

Mr COVERDALE - In 2010-11 we had 1 692 objections, which represented about 1.9 per cent of total valuations issued, which was less than in 2008-09.

Mr VALENTINE - What was the result of those objections? Did they get their way?

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Mr COVERDALE - We ended up changing 1 283. When I look at the totality of it I think we have got better than 98 per cent.

Mr VALENTINE - That's 1.41 per cent according to the performance information.

Mr COVERDALE - That is within less than 2 per cent that is there. We are trying to get better processes and better systems to reduce that. Part of it is having better information to the public, which is what we are going to work on extensively this year with documentation brochures, and we are doing work on the web as well. I speak at various forums, local government and Property Council, to try to get better information out there.

Mr VALENTINE - But valuers are not actually visiting properties are they? They are driving past mostly.

Mr COVERDALE - For residential it is kerbside as a minimum but for all commercial, industrial, specialist properties it is a full analysis. The way I have it designed now we have 50 years' worth of information; we have the floor plan of the property that they are sitting in front of that was built in 1965, et cetera.

Mr VALENTINE - You think. Some people might do works that you do not know about.

Mr COVERDALE - Part of that may come up through the objection process. I don't think we will ever get it to a zero but as long as we can try to keep it on a manageable basis. People will always argue to some extent for a variety of reasons.

Mr VALENTINE - The objection process is there so they can use it.

Mr COVERDALE - It is there, it is a statutory process. Part of the process is that every owner must be contacted to discuss their grounds of objection, which does not happen in other jurisdictions. It adds a bit more time to the process but probably leads to a more consultive process at the end through my office, through the contractors.

Ms FORREST - Have any gone up in value once you have revalued them?

Mr COVERDALE - Yes. That is part of it

Mr MULDER - Be careful what you wish for.

Ms FORREST - There is always that risk.

Mr VALENTINE - Your rates go up too.

Mr COVERDALE - That is right, there are only three things that can happen on that review and they will either stay the same, they could go down, or it could go up. That is what it is, a fresh review. Sometimes in measuring or remeasuring properties and checking everything out, other things do come to light.

Mr MULDER - The commonwealth government possibly 10 to 15 years ago outsourced this valuation exercise to the private market. I wonder whether any thought has been given to that, considering it is an objective outside base and I think government is doing it when the flow-on is

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in all sorts of fees to the state. Is there some conflict of interest there that causes all your grief? Is there any thought to outsourcing?

Mr GREEN - We outsource it now.

Mr MULDER - There are private contractors who do the work.

Mr GREEN - Yes.

1.3 Service Tasmania -

Mrs ARMITAGE - I know that you covered a fair amount of this in the overview but could you provide some more precise detail on the reallocation, the changes and the moving of the deck chairs because of the change that we have in the allocation?

Mr EVANS - Just to answer that question, the increase attributable to the corporate overheads and accommodation expenses amounts to \$1.5 million. You will recall I mentioned earlier that, up until the casting of this budget, Service Tasmania had not been assigned an overhead cost, so the \$1.5 million increase is attributable to -

Mrs ARMITAGE - It had not been assigned to this department?

Mr EVANS - It had been distributed across the agency, but not applying to Service Tasmania. So the recasting of the corporate overheads now includes Service Tasmania and it has a share of \$1.5 million of those corporate overheads.

Mrs ARMITAGE - As you said before, it is through moving the deck chairs.

Mr EVANS - Yes.

Mrs ARMITAGE - It is interesting, having a look at page 11.10 with customer satisfaction and transactions resulting in a formal complaint. Obviously many people do not bother sending their complaints in. I would be interested to know what those complaints were that you have received and whether they are from waiting times.

Ms KENT - They vary and every complaint that we receive we respond to. Often it might be about the information they are being required to provide, and obviously we then discuss that with the agency which we are providing the service for. It might be something to do with their motor vehicle registration, or something like that. There may be complaints about waiting times and/or complaints about the availability of chairs and those sorts of things. We respond to every complaint and try to address it as much as we can. The response time to respond to them is only a couple of days, so they are acted on very quickly.

Mrs ARMITAGE - There are probably not many really because of the fact that it is across a couple of different ministers. It is almost like divide and conquer.

Mr GREEN - We are also working through a process with respect to the opening hours of our shops.

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Mrs ARMITAGE - We discussed that yesterday. That is why I did not bother raising any of that with you because we had discussed that previously. I didn't think that would come under your ambit really.

Mr GREEN - That is me.

Mrs ARMITAGE - It does?

Ms KENT - The shops are within this department. Kathy Baker and I gave all the Council a briefing about a month ago and tried to explain that process.

Mrs ARMITAGE - The changed hours have not come into effect yet, have they?

Mr GREEN - No, we are working with the union and others now because there is a change in working hours for some employees, and there are various other changes. However, the key is that no shops are going to close.

Mrs ARMITAGE - We would like another shop in Launceston. The Launceston Henty House shop is one of the largest and does many transactions. The member for Windermere has mentioned on a number of occasions the long waiting time.

CHAIR - The answer is no.

Mr HALL - And Rosevears a number of times.

CHAIR - I think the minister was going to say that.

Mrs ARMITAGE - Perhaps one in the northern suburbs.

Mr VALENTINE - They could work with the council up there. I reckon they could organise something.

Mrs ARMITAGE - We are thinking more in the northern suburbs, perhaps rather than with the council in Civic Square. It would have been a great idea, but obviously money is a little bit tight at the moment. So we appreciate that, but it is good that nothing is going to close.

Mr GREEN - Yes. People's transactions are changing.

Mrs ARMITAGE - The internet.

Mr GREEN - Yes.

Mrs ARMITAGE - When you go to Service Tas and you wait for a good 20 minutes at the close of day, and you see the line getting longer, you tend to go back to your office and think this is it, and you go onto the internet. That might be a bit of your strategy, is it?

Mr GREEN - No.

Mrs ARMITAGE - The longer waiting times forces people onto the internet. That might be a bit of your strategy, is it?

Mr GREEN - No.

Mrs ARMITAGE - The longer waiting times forces people onto the internet?

Mr GREEN - Definitely not.

Mr MULDER - No, but it is a good idea.

**Output Group 2
Primary Industries**

2.1 Agriculture industry development services

Mr HALL - Minister, some of the matters have already been covered in the overview on this line item, particularly when you talk about pigs and chooks, we have done those. I just noticed, if I look at the whole line item, we actually have a reduction of about \$2.5 million which flat-lines over the forward estimates from last financial year. Could we have an explanation as to why we have gone down so far?

Mr GREEN - Deidre Wilson, the Director of Agricultural Policy, is at the table.

Ms WILSON - It primarily relates to the overhead of attributions.

Mr GREEN - It is part of the problem -

Ms FORREST - It is part of the deck chairs.

Mr GREEN - As the secretary quite adequately described earlier on in the piece, there is a reorientation.

Mr EVANS - \$2.4 million of the \$3.3 million is attributable to the outputs being reassigned elsewhere.

Mr GREEN - We knew this would be an awkward one for us to explain. We have given the explanation but is there anything else you want to add?

Ms WILSON - There has been a cessation of temporary funding for the McCain's project and that was a decrease of \$60 000. That was a project that is just coming to an end. We have also had the Wealth from Water program finish, about \$700 000, and our agricultural innovation scholarship program was \$200 000 and, of course, that money has gone across to the University of Tasmania. They are the primary reasons for the decrease.

Mr HALL - In regard to TIA, and I am looking at the external funds leveraged for primary industry research. Can I have some sort of an understanding and a list of what those projects might be, and how much each of those have cost?

Mr EVANS - We have that information but we do not have it here. We would need to take it by project on notice.

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Mr HALL - I will ask for that to be tabled.

Mr GREEN - We can provide that for you. We have plenty of other things that we can talk about regarding the programs that have been delivered but, in terms of leveraging external funding, we do not have that with us.

Mr MULDER - Are they the same as the ones that turn up under Policy Advice? Is that the same project or are they different projects? In 5.1, just getting ahead, you talk about 15 and 13 strategic projects - the CLAC, the Aboriginal heritage and things?

Mr SWAIN - No, they are different.

Mr HALL - Note 6 on page 11.13 of the budget document, there was just one matter there - and I know it comes from ABS overseas export data, minister, but it says, 'Overseas food exports were slightly higher than anticipated due to strong beef and abalone demand'. Then it says, 'Dairy exports declined by some \$40 million due to weak international demand and the high value of the Australian currency'. We know about the second part but it was always my belief that dairy had strong demand, particularly in Asia and other places. That is ABS and you probably cannot answer it.

Mr GREEN - In a Tasmanian context, but I think other states actually have seen a decrease in activity.

Mr HALL - Yes. It does say overseas, 'international demand'.

Mr GREEN - I think we have direct off-take agreements and we are in reasonable shape. Talking to various sectors, the demand for food is increasing quite significantly.

Mr HALL - We have had a drop in the dollar in the last few days in that respect, we are down to about 95.

Mr GREEN - Yes.

[11.45 a.m.]

Mr EVANS - In part the answer to your question is that it is a timing thing. You might be talking about current prices. This information reflects a point in time when milk prices were not as strong, but we have the food and beverage industry score-card and also some explanatory notes on how we calculated those numbers, if that would help.

Mr GREEN - We will table that, Chairman.

Mr HALL - I think, Chair, I am about done on that line because the other matters I had were covered in the overview.

CHAIR - Okay, we will go to Ruth then.

Ms FORREST - Following on from some of the things Greg was asking about the change in the budget allocation, is there any threat to any projects or programs as a result of your budget savings?

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Mr GREEN - Initially with the Wealth from Water project we were talking about \$7.5 million. That was what we hoped we would be able to provide, but that has changed to the extent where we have had a pilot under way in the Meander Valley and then we extended that to the Northern Midlands. Effectively, that work is coming to an end, but we are transposing the information it gained to the new project group that we are establishing as part of TI. You could say that the Wealth from Water project has come to an end, but through -

Ms FORREST - Reduced funds, though.

Mr GREEN - reduced funds and through the fact that we are actually committing staff to assist with TI in the ongoing promotion, and the ability to seek investment, which is a good thing in continuing the program. Other than that, in my area I do not think there are any programs that we have on the list to -

Mr EVANS - The McCain project that you mentioned.

Mr GREEN - The McCain project is coming to an end, yes.

Ms FORREST - It is a new job for the job detective up there then. Does he have another job?

Mr GREEN - He has been working hard in the dairy industry and particularly the potato industry. He is, like me, very concerned about the fact that people are being picked off one by one up there, our spud growers, and I am concerned about that as a trend on the counter.

Ms FORREST - So what are you doing about that?

Mr GREEN - I do not have many powers other than to meet with them and to talk about the fact that we have a loyal group of farmers who produce a high-quality product, and allow them to understand how much emphasis we have put on potato-growing and the increase in productive output of potatoes, given the work that we have done with TIA in developing ongoing productivity increases for potato growers generally in the Tasmanian context overall. We can demonstrate pretty clearly that there has been some great successes when it comes to our production and increases in productivity. I will impress that upon them, and I will be suggesting that the fair way to arrive at arrangements with growers is to do it on a collective basis.

Ms FORREST - Check out what is their mission. You should visit their website, visit their vision mission and see if they comply with it. I reminded them that perhaps they should revisit it themselves.

Mr GREEN - Okay. I think it has cropped up before - pardon the pun. As I said on Monday, they are very difficult people to deal with, very difficult. Many of the decisions that are made are made internationally, and the people down here just have to implement it, which probably goes against their grain. At the end of the day, this is being run out of Victoria now.

Ms FORREST - If they took a decision to actually close down the potato processing section of their business there, we know when they did it with the other vegetable processing, effectively they stripped the equipment out. Would you try to address that with them because there may be other operators who want to purchase it? Or you could even have a creative approach or cooperative to take it over. But if they strip the joint, which is likely -

Mr GREEN - The advice I have always had is, in terms of where that factory lines up with others in Australia and other parts of the world, it is a profitable and efficient operation. I do not think that would be the criteria by which they will be making any decisions about potato-growing in Tasmania. I certainly hope not, anyway.

All this business about stripping things out and taking them away reminds me that coming back from Strahan yesterday and listening to the radio, they were talking about the fact that the newspapers - the *Advocate* and the *Examiner* - are worried about their subediting arrangements because the *Mercury* in Wollongong and the Newcastle paper, which are owned by Fairfax, have moved all their subediting to New Zealand. I couldn't believe it.

Ms FORREST - Have they? New Zealand?

Mr VALENTINE - How ridiculous is that?

CHAIR - We will not go down that track.

Mr MULDER - Thanks to the NBN, no doubt.

Mr GREEN - It will be interesting to see what they have said, editorially, about other businesses shifting offshore over time.

Mr WILKINSON - It is happening all around the world.

CHAIR - We will move to 2.2 Marine Resources.

2.2 Marine Resources.

Ms FORREST - There is an increase in this line item of \$103 000 from last year to this year. The following years see a decline in the forward estimates of \$323 000 in 2013-14 and a further decline of \$179 000 - a total of \$500 000 over the following two years over the forward estimates. With the continued growth in this important sector - and we have just seen a recent very positive announcement down in Macquarie Harbour - how do you ensure that this sector is adequately resourced?

Mr GREEN - Other than the relationship we have with them at the moment, and other opportunities that we are looking at with the university to make sure that we stay ahead of the game, there is our relationship with the commonwealth from the research point of view. Listening to what those growers had to say yesterday about their interface with the department, they believe that they have been - I was going to say 'well looked after' but it not the right terminology. They are happy with the way the department has been working with them to achieve the outcomes that they want.

Ms FORREST - My question is: will a declining budget allocation have a negative impact on this?

Mr GREEN - We do not see that as having a negative impact. We are working in areas outside of our department to ensure that we provide more opportunity and resources for the industry to learn about itself and continue to grow.

Ms FORREST - How will you absorb the reductions in allocation, then?

Mr GREEN - Some of it is in the Fishwise program and a decrease in expenditure supported by retained revenue due to the completion in 2014-15 of the FILMS (Fisheries Information and Licensing System) project.

Ms FORREST - What project?

Mr FORD- A new licensing system. We are in the process of replacing our computer-based system. We have been working on it over the last three years or so, and over the next couple of financial years that computer system will be finished. There is investment going in there that will come out.

Ms FORREST - That contributes to some of the reduction in the appropriation in that area. You did mention in your overview about the support that the government provides to IMAS (Institute of Marine and Antarctic Studies). Is there anything else we need to be informed of in that area with IMAS?

Mr GREEN - There is much we can talk about it regarding the programs in general. We know about the key capabilities that they bring in, in Antarctic and marine sciences and into the institute and we have a situation there where there is an increased collaboration with the commonwealth. We are also building a world-class research centre here right on the waterfront. It is a \$45 million project - I don't have that in front of me, but I am pretty sure it is \$45 million. Just in every sense that is fantastic from the point of view of our interface with the Antarctic.

What we have to do, though, is make sure that they keep focused on what we need them to keep focused on and that is our fisheries around Tasmania. The secretary has a formal role with respect to IMAS and he briefs me regularly as to keeping them focused on the issues that we need to keep them focused on.

Importantly, there has been - it happens in all areas and people have to be sharpened on this occasionally - a lack of corporate knowledge as to why you establish the partnership in the first place and what needs to come back in terms of information flow to the department. I believe we are on top of that. We want them to expand opportunities when it comes to the Southern Ocean and the Antarctic, but at the same time we also want to make sure that they focus on providing us with information.

Ms FORREST - There is a requirement for that collaboration to happen then, so that you, as the minister, can be assured that they are actually focusing on things that are of value to Tasmania.

Mr GREEN - Indeed, the secretary has a formal role and I am more than satisfied that they are doing that. There is a big game in town at the moment and that is the Antarctic and the Southern Oceans. You can get all caught up in that, which is terrific, and we see that as an important part of the economic development plan for Tasmania. But at the same time, there is that baseline stuff that we need them to focus on as well.

Mr EVANS - I might just add that I sit on the board of IMAS, which is the governance board, but we have specifically related to the funding that we provide for fisheries and

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aquaculture research a formal partnership agreement. Under that partnership agreement we have an advisory committee that is chaired by Wes Ford, as the General Manager of Water and Marine Resources.

Mr GREEN - Wes has been pretty versatile; he was up there looking after TIA for a while, too.

Ms FORREST - He gets around, doesn't he?

Mr EVANS - Wes chairs the committee that specifically sits over the top of the research and aquaculture partnership that we have with the university. We have industry people on that advisory committee as well, so that we get input from the industry about what they need in terms of research. We think it works fairly well. The minister also meets regularly with the university. You are meeting tomorrow with the Executive Director of IMAS.

Mr GREEN - That is right.

Ms FORREST - With regard to the wild fisheries, you have some performance information around that. Regarding the rock lobster, there has been a bit of an issue at the moment with sustainable catches. There have been a few rumblings around that.

Mr GREEN - I think the latest decisions were made with respect to quota - total allowable catch. For a fair period of time we were chasing it down; we weren't achieving the total allowable catch, but this year I think we coped. The recruitment from the traps and the work that has been done by IMAS is allowing us to understand that recruitment has been improved, so we are expecting it to stabilise. I think that everyone, including the industry, understands that we have to achieve a biomass that we know is stable if we are to be able to advocate to the world that we are managing a sustainable fishery. While the decisions have been tough over recent times, they were completely necessary. Also, we are working with the industry on our relocation/translocation arrangement where we are moving 100 000 rock lobsters from the south-western part of Tasmania up the west coast and that has been successful, based on some earlier information that was provided to us.

We are working with the industry and we are also working with them around other issues like the centrostephanus and the problems that that is creating with respect to the habitat for rock lobster and the fishery generally on into the future.

Mr WILKINSON - I wanted to ask about those rock lobsters which are moving north because, as we know, in the south they are not growing. At King Island, especially, I think they are growing to much, much larger sizes.

[12.00 p.m.]

Mr GREEN - We are not right up to King Island though yet.

Mr WILKINSON - I understand that, but the further north we go the better they grow. I was wondering, when you say it has been a success to date, this is the first year, isn't it, that it has been done?

Mr GREEN - We moved some lobsters in the past, so we know how they perform in terms of colour and shape change and growth rates. So we know that when you move those fish from

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where they are old and have small growth rates and not deformed tails but just smaller tails, into the more productive areas they change colour and they do everything that you would expect of them, in the shallower water in particular.

Ms FORREST - They like to come up our way, don't they? They like a holiday up our way.

Mr GREEN - That is right. It is a good look around for them.

Mr VALENTINE - The word gets around, because they know very well they are out there with their pots trying to catch them.

Mr WILKINSON - So how many already have been translocated?

Mr GREEN - One hundred thousand. There were 60 000 and we are up to 100 000 now.

Mr WILKINSON - And that is the limit, as I understand it, that is going to be translocated at this stage, is that right?

Mr GREEN - This time around, yes. I am an advocate for it. We need to evaluate all this, but particularly in helping us up the east coast to get the balance right, there might be opportunities into the future. That is something the department with IMAS will be advising me on into the future. Personally, I think it would be a good thing.

Mr VALENTINE - Still strong exports of lobsters?

Mr GREEN - Yes. The price has been up. As a matter of fact, I was in Strahan yesterday. The prices are good and the catch rates have been good. I was talking to a bloke by the name of Stacey, a rock lobster fisherman in Strahan, yesterday. The year before he was right onto me, but this year he was very happy. That made me happy.

Ms FORREST - They let you know pretty quickly when they are not. Abalone, I have been trying to chase this for a little while; the issues with getting into the New South Wales market. I am still waiting for a letter from the minister in New South Wales, which is even slower than the minister for Tasmania.

Mr GREEN - Yes. I have spoken to her personally, and the chief veterinary officer, and I have had discussions. As yet, there is no breakthrough, which is frustrating.

Ms FORREST - Is it a fact that Victoria can still -

Mr GREEN - Yes.

Ms FORREST - and they are no clearer of the infection than we are, the ganglioneuritis?

Mr GREEN - Yes.

Ms FORREST - So what is going on?

Mr GREEN - Good question. It is something we have been talking with the chief veterinary officer about. In many respects, if you think about it in context, we take our disease-free status

very seriously, but sometimes it can come back and bite you a little bit. So all of the arguments that we run with respect to the importation of product into Tasmania have been played back to us from New South Wales, which makes it pretty hard to argue that we have been wrong in the past and they are now -

Ms FORREST - So it is tit for tat, is it? Are they saying you will pay for this?

Mr GREEN - No, I don't think it goes quite to that, but it means that we are vulnerable in that we have nowhere to go. You know the changes that are happening at a national level where in interstate disputes potentially the commonwealth is the arbiter. We have always maintained our regional difference based on Bass Strait. The commonwealth has always made decisions based on the fact that you really have artificial boundaries set up with states anyway for most of the rest of the country, so it is pretty easy for them to make decisions when there are disputes. If we wanted them to assist us through this in whether we are right or wrong with New South Wales, then it could open up a whole range of other areas that potentially could be a problem for us.

Ms FORREST - So there is no short-term resolution here then?

Mr GREEN - The minister seems fine, and she said 'we will evaluate it', and I think we are doing the work in the various shops, restaurants and stuff with their recirculation and all that sort of thing. The bit that annoys me is that they are taking product from Victoria and not Tasmania.

Ms FORREST - I know, and South Australia too, I understand.

Mr EVANS - They probably are. I don't know.

Mr VALENTINE - Our international markets are still strong though, aren't they?

Mr GREEN - Yes, they are for abalone.

Ms FORREST - But some of the providers up our way go into the New South Wales market. That is why I am concerned about that.

Mr VALENTINE - I understand what you are saying.

Mr GREEN - Yes, they have live fish going in there. That is the other thing, Rob, you know, with the whole AVG problem that we have had and how it manifests itself, particularly in marine farms or in export facilities where fish are kept live. It manifests itself when fish are under some stress. Whereas before they were all just shucked and if they looked a bit crook they were processed and they went into a tin or whatever, now there is such a focus on the live market that all of a sudden it brings into play these issues like AVG that were not really a focus for us in the past.

We had an outbreak and what did we do? We got our emergency response team involved because we were so paranoid at what had happened in Victoria as a result of the abalone farm that had huge problems. We effectively put in place our emergency response unit to that which showed us whether or not our response unit could work effectively, and it showed that we could work very effectively. At the same time, we have a situation where people are suggesting probably AVG is within the natural environment but only manifests itself in certain ways, so we have made a rod for our own back. In New South Wales, they have not come to that

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determination yet or they have not detected it in their wild populations. I am right in saying that, Wes?

Mr FORD - Yes.

Mr GREEN - I have spoken to a person and our chief vet remains in discussions, as I understand it, too.

Ms FORREST - I am sure you will let me know if you hear anything.

Mr GREEN - Yes. I have been up to see them and I feel for them but I am powerless other than to do my best.

Ms FORREST - I feel a bit like that myself, I can tell you.

One other question in this area, as we mentioned just a moment ago, the expansion of marine farming down in Macquarie Harbour and your government colleagues who are green by nature and not name are still complaining about it. Is there any threat now or are we going to see this progress and get on with it?

Mr GREEN - It is off to the commonwealth now but the department, through John Whittington, Wes and Tony have been working very closely with the commonwealth and they understand what we have been doing in the preparation of the plan. Yesterday was to go up and give the industry a pat on the back for the work that they had done in collaboration because not only have they used their own expertise but they have used expertise from around the world and they have put forward a really good plan. The point I was trying to make yesterday and I will make it publicly again today is that any development has an impact on the environment and it has to be managed and there is no doubt about that but we want to manage it so that we can produce fish in this harbour forever, not just for a decade or something like that but forever. The industry has to want to do that as well. That is really what it is all about. It was exciting and we hope that the commonwealth -

Ms FORREST - How long is the commonwealth process likely to take?

Mr GREEN - I think it is a minimum of 20 days and a maximum of 90 days or something like that.

Mr FORD - It depends on what decisions are taken.

Ms FORREST - In what regard?

Mr FORD - The first step of the process is that they have 20 days to determine whether it is a controlled action or not, and depending on their determinations is the pathway through the legislation.

Mr MULDER - Marine resources - the issue of the commercial versus the recreational particularly in rock lobster areas and particularly down the east coast we might note. How has that been received by the industry and how has that been received by the recreational side of it?

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Mr GREEN - To date, I think that everyone is pretty happy and, in fact, I would say that right at the moment the relationship between the professional fishers and the amateur fishers is as good as it has been for a long time in the decision making. Anyone who fishes the east coast knows that it is pretty hard to catch a crayfish there.

Mr MULDER - I would be happy to get my quota, let alone -

Mr GREEN - Yes, that is right. Obviously, as part of the whole total allowable catch, there is a quota for recreational fisheries and that has not been achieved effectively for a long time. We recognise we have a collective problem with respect to the east coast and that in general terms most people are happy with the decisions.

Mr MULDER - Has there been a reduction in the commercial catch on the east coast or just the recreational catch?

Mr GREEN - Yes, there has been a reduction in the commercial catch, but do you mean the total allowable catch?

Mr MULDER - Yes, the allowable catch on the east coast.

Mr GREEN - Yes, we have had a 17 per cent reduction previously and over the past three seasons a cut of around 28 per cent. We have made some changes in what recreational fishers have to comply with, and that is the amount of fish they can have onboard at any one time. I cannot remember all the details.

Mr MULDER - I am aware of all that. The fishing industry has been rife about claims that the recreational fishers are exceeding their quotas, including the home stock. I know it is a police matter, but what investigations are you aware of as to how much they are holding in their freezers at home and things like that. The commercial industry is subject to that sort of investigation and monitoring, so I am just wondering whether there is any attempt to do that.

Mr GREEN - We have powers.

Mr MULDER Are you able to exercise them, is what I am asking.

Mr FORD - The first point to make is that there has to be a distinction between recreational fishers operating within the law, and those people who are operating outside the law who are not recreational fishers, who are fish thieves. Unfortunately, sometimes they get lumped together and people assert that a recreational fisher is still a recreational fisher even if they are doing the wrong thing. It really comes down to where the police get intelligence. The police do act and they follow things up and people are charged. It is a difficult environment unless the police are given real time action in which to follow up on.

Mr MULDER - This is a joint management-type thing. You set the quotas and things like that but there is a fair bit of intelligence that many of those fishers are holding a lot more. You are allowed to be in possession of double your daily catch. If that is two, that means if you have any more than four crayfish in your fridge at home you are in breach of the law. I am just wondering whether this is something you are trying to get the police to enforce, or whether you don't think it is a sufficiently large problem to bother with. By the way, you can come and look in my freezer anytime. I am lucky to catch the quota, and I dive for them.

Mr GREEN - We'll take you up on that.

Ms FORREST - Come around for a feed or a fight?

Mr MULDER - Quid pro quo, as the Minister for Primary Industries I reckon your freezer is a bit better than mine.

Laughter.

Mr GREEN - No. Probably most people would be complying. The point that Wes makes is that some people go out of their way to plunder the fishery and they are the ones who we are really after. Families have two licences, the young bloke has a licence, and so they might be able to have 12 in there. There is a whole range of different compliance aspects to it.

Mr MULDER - I will pursue this matter with the police tomorrow now that I know the department isn't too concerned about it.

Mr WILKINSON - A number of comments are made to me around summertime in relation to the fishing trawlers or dredges that go through Mercury Passage. Could tell me if there is licence for trawlers to go through there?

[12.15 p.m.]

Mr FORD - Trawling is banned in state waters, so for board trawling there are no licences and it is prohibited. We often hear reports of trawlers. Often these turn out to be lobster boats with their paravanes, which are stabilising arms, hanging out the side. There are also shark boats that operate in state waters and there are a few seining operations like the ones the Massey boys operate down in the mouth of the Derwent River. So there are a few of those licences around the state. Often the report about trawlers in inshore areas turns out to be not the case.

Mr WILKINSON - Are there licences for Danish seining boats to go through the Mercury Passage?

Mr FORD - It depends on where they are allowed to fish. There are some areas that are closed, and some areas that are open, but we can give you some more information of where catches have been recorded.

Mr WILKINSON - In Mercury Passage, say from the end of Maria up to the conclusion of Maria.

Mr GREEN - We need to provide more information about that?

Mr WILKINSON - If you can, yes please.

**Output group 4
Water resources**

4.1 Water resources management -

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Mr HALL - I will ask some question crossing over 4.1 and 4.2. Could we have a quick overview at this stage of each of the priority projects and at what stage the construction is.

Mr GREEN - We have completed Headquarters Road, the Wesley Vale scheme, and the project at Whitemore, and we have nearly completed Winnaleah. As you know, the Meander pipeline is completed. We are constructing the South Esk project now and we have let tenders for the Midland project. We have managed to get agreement, although not yet finalised on Ouse - it was subject to some discussion last year - and there is the Lake River one. We are at the business case stage for Ringarooma and South East.

Mr HALL - I knew most of that. I just wanted to test your memory. Could we have an update on how much of the commonwealth's \$140 million had been received and how much has been spent?

Mr GREEN - I think \$107 million between the two has been spent to date out of the \$220 million.

Mr HALL - So \$33 million to go.

Mr GREEN - Out of \$220 million. Will more funding be required to deliver on the projects?

Mr GREEN - Best estimates are always made when you are framing these things, but we have 13 projects and the Midland project, which was an \$88 million project is now a \$103 million project, which says that it is unlikely that we will be able to complete all of the projects that were on the list based on the funding that we have. Having said that, we are still making the necessary progress on each of them so that when more funding is made available we will then be in a position to achieve that. We have to face up to the fact that we will not be able to complete all of the 13 projects. We will have to decide how we put them in a different space.

Mr EVANS - It needs to be recognised that when we got the original \$220 million the suite of projects that we had at that point was slightly different to the suite we have now. For example, the South East irrigation scheme project, which is a big project, was not even on the original list.

Mr GREEN - And that is a \$28 million project.

Mr EVANS - So priorities have changed at the margins over the passage of time. I don't think that the Meander pipeline project was on that original list.

Mr HALL - It is fair to assume that there are some reasonably large construction companies around without any work at the moment and the tendering ought to be fairly competitive for some of those projects?

Mr GREEN - Yes, there has been. As you know, with the Midland project - Kim, who do we have working on the dam on the South Esk?

Mr EVANS - It is a Launceston-based company - Gradco.

Mr GREEN - They are working on that. Then the New Zealand company got the highland part of the project but they are utilising Tasmanian contractors, and Hazell has the lowlands pipeline contract. As the honourable member was pointing out a while ago, the north-west coast

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company got the contract for the pipe which is many, many kilometres. I was asked questions by Rene Hidding in the lower House yesterday about the mini-hydros and it is my understanding that they are still talking with Tyco on the West Tamar - because each of the tenderers so far for the mini-hydro has had New Zealand companies in there.

Mr HALL - You might remember, minister, last year or the year before I asked you about water development loans and HECS-type style loans for farmers simply because of the high capital cost of buying the water right, buying the entitlement, and then all the rolling out of the infrastructure afterwards.

Mr GREEN - We provided, I think, \$4 million or \$5 million for farmers who, as a result of the floods, were unable to get crops off - effectively a loan scheme. We put in, effectively, a loan facility to get them over the line. I know you are talking about this in a broader context but we responded to a problem as a result of the floods, where we had some allocation made. There is a figure there somewhere.

Mr EVANS - That was the \$12.7 million.

Mr GREEN - It was \$12.7 million - the secretary is right. Would you say 'lent' to farmers?

Mr EVANS - We have provided deferred payment arrangements because of the floods. Under their contracts they were due to pay the balance of their irrigation rights on completion of the scheme and then -

Mr HALL - This is specifically to do with the flooding?

Mr EVANS - we had a whole range of difficult circumstances around flooding and it was projected that some of the farmers would not be able to complete their contracts. We got some funding to enable us to enter into a deferred payment scheme for those farmers.

Mr HALL - I appreciate that but it was a broader issue that I was referring to, minister, in that regard.

Mr GREEN - Yes, I appreciate that and I suppose the answer is still the same at this stage, no.

Mr HALL - Another question relating to the TIB, has a farmer rep been appointed to that board yet?

Mr GREEN - No. We have not made any changes to the board.

Mr HALL - That is enshrined in legislation because I actually put the amendment through which went through both Houses of parliament, that a farmer rep be appointed to the board. I find that a bit odd.

Mr GREEN - In context, though, the expertise that we have on the board is delivering to Tasmania, without any doubt. It is not to say that we are not going to put someone on the board but we have a board the size it is at the moment that is operating and delivering, and we have a number of people working within the organisation at a professional level who have contacts with irrigators and farmers, and are in fact irrigators and farmers themselves.

I know what is in the legislation and I suppose we could have a technical argument as to whether we are complying or not. I could say to you that I believe that we are complying with the legislation based on the expertise that is available on the board at the moment. Would you say that, secretary, or not?

Mr EVANS - We took some legal advice about the composition of the board and the minister made a determination that it was compliant at that point in time. We have been going through the process of building the new organisation, which includes developing our first corporate plan whilst we are trying to run at a million miles an hour building schemes. The board, as one of its obligations, will be looking at its composition, and will be providing the minister with some further advice about that very point you raise. Whilst it hasn't happened at this point -

Mr HALL - I understand all that, but it is probably 18 months ago, at least, since the legislation went through. There are questions being asked out there in the community and from TFGA, 'Where is the farmer rep?' That is the question I am asking. I will leave that hanging there, minister.

Mr GREEN - I could give you an undertaking again today that as soon as I get some advice - I am really happy with the way the board is functioning at the moment. I do not get any negative feedback from farmers. I do not know where you get it from, but I do not get any negative feedback about the way that the board is operating. In fact, the farmer groups, particularly on this Midland project, given it was such a large project really worked very closely and very well, and is actually helping us get the project over the line.

Mr HALL - They probably have, but it is a legal point of view, but surely if there is legislation that a farmer rep be on the board, a farmer rep -

Mr GREEN - No, it does not actually say farmer rep. It says 'with irrigation experience.'

Mr EVANS - It says specifically that 'the members of the company are to ensure that one of the directors has experience or expertise in irrigation agriculture'.

Mr HALL - That is right. That was the full intent of the amendment at that time. To my knowledge there is not that person there at the moment.

Mr GREEN - You could run an argument -

Mr WILKINSON - I hear what you are saying then. I was listening to what Greg was saying in relation to a farmer rep. If that was the case it would seem obvious to me, but I hear what you are saying with what the legislation says.

Mr GREEN - I know where you are coming from, but I knew because we did not put an extra person on the board it is falling foul of what you said in your contribution to the bill.

Mr HALL - We will see what transpires then.

Mr GREEN - Do you want to say some more?

Mr EVANS - I was just going to add, going back to my earlier comment that this is a new business now, the TI business, and the existing directors are continuing their development business as well as working out how to manage all of the other aspects of the business. An important part of that has been the development of our first corporate plan and we have recently completed that. As part of that we would, as you would expect, do an audit of the capacity of the organisation, including the board, to progress the new business in accordance with the corporate plan. It is through that that we would come back to the minister with some recommendations regarding the composition of the board because you can take those words in the act and you can put a different nuance on the specific skill set that you might need depending on where you are taking the business.

If it is essentially a development business, you might want a different sort of person than if you are moving into a different environment where you are operating a business and you are looking more at the practical operation side. So understanding where the business goes will affect the specific sorts of skills within that broad ambit of irrigation agriculture that we might need. We will need to provide some advice to the minister about that, and that advice would be forthcoming shortly in the context of the development of the new corporate plan. In the meantime, as I have indicated earlier, we have taken some legal advice and the minister has made a decision that the current composition of the board does comply with the requirements in the legislation.

[12.30 p.m.]

Mr GREEN - I know you would love to stamp your foot over there.

Mr WILKINSON - It seems as if the intention of your amendment, though, was not -

Mr HALL - That is right, and I will take advice from my legal adviser.

Mr GREEN - 'A farmer', rep.

Mr HALL - Anyway, Chair, I will pursue that at a later time. Any further detail about the national framework for compliance and enforcement systems project?

Mr GREEN - On sprays?

Mr HALL - On water resource management. It was somewhere in the documents.

Mr GREEN - We are complying under the national water initiative, if that is what you mean. We are fully complying on everything we are doing with respect to water development to the national water initiative.

Mr HALL - There is a project though the National Framework for Compliance and Enforcement Systems.

Mr FORD - It is basically a five-year project, funded at about \$2.5 million from the commonwealth. We have a project officer. There are a number of projects broken up and delivered through that process. The first is a legislative review to look at how our legislation complies with what is seen to be the national benchmark, national framework process. We have just about completed that stage of it. Then there is a risk assessment process which is trying to fit our catchments against a national banding for risk assessments to determine where compliance

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works. We are going through that process. That risk assessment is almost complete as well. We are just starting to scope out what the farmer education side of it looks like. This compliance is not just at the enforcement and prosecution end, but is very much about community understanding and community compliance. Water metering is part of that process, and we are working through the arrangements for the water metering policy, so the project is on track. We have met commonwealth milestone, and the commonwealth is paying us. You will probably see more of it as stuff rolls out over the coming months.

Mr HALL - Through you, minister, with regard to groundwater resources - and we did some amendments some time ago now with regard to that in other jurisdictions, of course - they are heavily licensed and regulated, whereas they have not been in Tasmania. There is always concern in the rural community that if new bores are put down it can be 'rob Peter to pay Paul'.

Mr GREEN - The legislation has made a big change to the number of bores that have been put down.

Mr HALL - In reductions?

Mr GREEN - Yes.

Mr HALL - I am just wondering how that is going.

Mr GREEN - I know anecdotally.

Mr HALL - In terms of data and mapping, where the actual resources are, and do the rig operators, the drillers, have to now comply and get all those logs and everything else?

Mr FORD - Since the new legislation has come into place, there is much better compliance in terms of applications to drill bores. Farmers do not need a licence to have a bore. What is required to be licensed is the drillers who are drilling the bores. We are now getting the drillers' logs. We are getting the information up-to-date, and just last year launched a new website that contains all the bore log information. We now have a much better understanding in the state about where all the groundwater bores are. We are now looking at what are the future groundwater management issues we are dealing with. The one area we are dealing with groundwater management at the moment is the Sassafras-Wesley Vale area.

Mr HALL - Have there been any indications where flows have dropped off in any areas at all because sometimes they do if there has been an over-allocation or over-proliferation of drilling going on and/or any salinity problems at all that have come to light?

Mr GREEN - It was only, to my knowledge, we had those subsidence issues around Mella and some salt issues on some of the dairy properties in and around Montagu, but other than that I am not sure whether there have been any other further updates?

Mr FORD - No.

Mr HALL - Having a quick look I noticed all the performance information, most of that is pretty self-explanatory in the budget documents, minister. With the health of waterways, that is back to every second year testing of major creeks.

Mr GREEN - And we do.

Mr HALL - I understand that is on a footnote there somewhere. River health is now undertaken every two years rather than on an annual basis. I understand from the last - maybe department, I don't know whether we are getting mixed up here which department does it - does the Department of Environment also - we are talking about who does the actual testing? The holistic testing?

Mr FORD - We do the river health testing. Through water quality monitoring is done through environment. So monitoring chemicals in waterways is undertaken by environment.

Mr HALL - How often do they do that?

Mr FORD - It is a regular process.

Mr HALL - There were some results released the other day, were there not, which found that there was very little, if any, undue pesticide contamination outside legal limits.

Mr FORD - Those results are made publicly available as they are released, but I am not sure what the current time frame on those is.

Mr HALL - Just finally, new dam works: it would seem that targets are down for assessments in coming years?

Mr GREEN - Yes, but bigger projects, more water overall. There are some interesting statistics on that. I can go back to since the formation and approval process came into effect in 2000. There have been 1 500 new dams approved providing 270 000 megalitres of storage capacity. For example, in 2009-10, a total of 77 work permits were approved for a capacity of nearly 15 000 megalitres at an average of 195 per dam. In contrast in this financial year to date, 36 dams have been approved, with a combined capacity of 17 000 megalitres. We have gone from 77 dams with 15 000 megalitres to 36 dams with 17 000 megalitres. The actual size of the dams and the storage has gone up pretty significantly at an average of 480 megalitres.

There have been approximately 44 applications at various stages of the approval process with a combined capacity of nearly 59 000 megalitres. About one-third of the applicants are required to undertake surveys, including Aboriginal heritage for those. I think it is one of those areas where it is maturing a bit, and now we are looking at bigger storages on farms.

Mr HALL - I suppose some of that with irrigation schemes, some property owners have elected to buy water rather than construct on-farm dams, that can happen.

Mr GREEN - Yes.

Mr HALL - The other thing is that many of the good dam sites are already taken.

Mr GREEN - That is what I am saying; it has matured.

Mr HALL - There is only a finite number of those. That is it; I am done.

**Output Group 5
Policy**

5.1 Policy Advice -

Mr MULDER - Page 11.32 of the budget papers, 5.1 Policy Advice, Footnote 5: 'The increase in the Policy Advice Output 2012-13 reflects the transfer of the Corporate Planning function to the Output and a review of total Output appropriation'.

I note that it has gone from \$1.9 million to about \$2.7 million in that appropriation. We have some difficulty in following the money flows around inside the departments as things are shifted from one output group to another without exactly knowing how much was taken from where it originally came, and how much has turned up in here - so how much savings have you achieved in this review and output allocation?

Mr GREEN - We have Brett Noble, Director of Policy and Project Group, at the table.

Mr EVANS - The \$835 000 increase relates to \$300 000 attributable to the rebasing of output expenses, the subject that we have been talking about throughout the morning. \$342 000 of it relates to the merger of corporate planning and ministerial support and the secretariat functions which previously attached more or less to my office into the policy division. That was a decision taken when the manager of that group retired last year and we sought to get some efficiencies by amalgamating that group into the policy division.

Then we have about \$100 000 relating to some one-off project funds.

Mr MULDER - That is what I am trying to chase. As to the actual efficiencies, how much did you take off one line to put into this line? Was it the same amount, or was there a lesser amount which now turns up here that was originally elsewhere?

Mr EVANS - It would be a lesser amount that turned up in there now than was there originally because we made those changes around getting some efficiencies, and the opportunity arose, as I said, when the manager of the secretariat retired last year.

Mr MULDER - So they are staff saving costings in there?

Mr EVANS - Yes.

Mr MULDER - How much?

Mr NOBLE - It was the subject of a business case. I did not actually perform it so I do not have the exact figures with me but it was a reduction in the band in which the manager had a position. Primarily, it was a reduction of the band that the manager's position was set at.

Mr MULDER - We had a 'band this' doing the work and then we replaced it with a 'band that'

Mr NOBLE - At a lower level, because we had a management structure over and above that position which we could use for quality assurance.

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Mr MULDER - Are we talking about \$40 000 to \$50 000 savings?

Mr NOBLE - Something around that - I do not have the figures here.

Mr GREEN - Do you want the figure?

Mr MULDER - Yes.

Ms FORREST - A couple of questions on that line item from my perspective. This area is responsible for legislative reform initiatives and it mentions here that there are five listed reform initiatives from four other projects. Can you outline what they are?

Mr NOBLE - That is for the 2010-11 period?

Ms FORREST - Yes, for 2010-11. There were six major project-assessed initiatives, five reform initiatives and four other projects.

Mr NOBLE - I can give you a couple off the top of my head. In terms of those initiatives, they were set in my business plan at the beginning of the financial year. I do not have that business plan with me. They would include Aboriginal Heritage legislation, the Cat Management legislation, and the Launceston Flood Management legislation. To get that full package of the 13 projects I would have to refer to my business plan.

Ms FORREST - That is okay. You have a forward plan?

Mr NOBLE - We developed a business plan at the beginning of the financial year and at the moment for the coming financial year it is in draft form as it has not yet been signed off by the executive.

Ms FORREST - Are you able to say if there are any major reforms coming our way?

Mr NOBLE - I am happy to provide you with that. Again, it is those three projects in the legislation area that are ongoing. Aboriginal Heritage and Cat Management are coming to a conclusion but the regulations are still to be done and the Launceston Flood Risk Management legislation is also to be done.

In this area of strategic projects we would also include issues like the Aboriginal land hand-back, which Margaret deals with -

Ms FORREST - You do that task?

Mr NOBLE - Yes, we get that task also. I think 13 projects is our target this year for strategic projects but there are also major projects like dairy expansion, agriculture expansion, and the Midlands water scheme, so they are not strictly in legislation projects but they are agreed as being strategic projects.

Ms FORREST - Do you have to look after the coastal land policy?

Mr NOBLE - We have done, yes. We had a part in that.

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Ms FORREST - What is happening with that now - that unfortunate piece of policy?

Mr GREEN - As you know, there have been some funds allocated in the budget to assist which have gone to you -

Mr EVANS - Notionally.

Mr GREEN - but they would then be transferred to the Tasmanian Planning Commission to utilise those funds.

Mr EVANS - I can probably add to that comment, minister.

Mr GREEN - I know where you are coming from and that has been a source of much frustration to us all.

Mr EVANS - There is work under way through the Tasmanian Planning Commission on a coastal protection policy which has not yet been completed and signed off by the TPC. Ultimately, that work will come forward to cabinet and the result of cabinet's deliberations will inform how we take forward this case to a protection framework and, hence, how we utilise the funding. The money currently sits within this portfolio but an informed decision will be made about how best to utilise that and where it should be allocated once cabinet has had an opportunity to receive its advice from the Planning Commission and makes some decisions.

Ms FORREST - One of the performance indicators is about the stakeholder satisfaction of the quality of service. How do you measure that, and who are the key stakeholders?

Mr GREEN - Me, and going beautifully.

Ms FORREST - How have you assessed your satisfaction?

Mr GREEN - In terms of the legislation that is coming forward and the fact that we have been proactive in a whole range of areas has been good.

Ms FORREST - Did you just have a little sit down with a chat and a coffee, or a glass of red or something?

Mr NOBLE - We actually have Treasury guidelines on how to conduct a survey of stakeholder satisfaction and there are a dozen key points we need to go through in the process. We do that on a yearly basis.

Ms FORREST - This is your only stakeholder?

Mr NOBLE - We include the executive and we include Minister Wightman and the officers.

Ms FORREST - Just a nice little fireside chat.

Mr GREEN - Yes, everyone has to do his performance review as well.

Mr NOBLE - We really build them.

Ms FORREST - It is full-on then.

Mr GREEN - Yes, that is right. He has to come and we go through the things. The Midlands project - tick; something else - tick.

Mr EVANS - Salmon now.

Mr GREEN - Yes, salmon - tick.

Laughter.

Ms FORREST - It is looking good so far; we could nearly do it around the table for you.

Mr MULDER - You obviously sample all the products before you can be satisfied with them.

Ms FORREST - That is it for me.

CHAIR - Finally then we will head off into the biosecurity areas.

Output Group 6 Biosecurity and Product Integrity

6.1 Biosecurity

Mr GREEN - I have Lloyd Klumpp at the table with us now. Monday was Lloyd's first foray into the estimates process and it was a big learning curve for him. He is going beautifully.

Mr WILKINSON - He was here at 6 o'clock this morning and he said he could not wait.

Mr GREEN - I am getting very good feedback on Lloyd, he is great, working with farmers around this agricultural spray issue as you know, Mr Hall. The feedback has been brilliant; we are very lucky to have him.

CHAIR - Minister, I want to commence with some information please on page 11.20 of the budget paper. The footnote indicates with regard to the biosecurity matters that the reduced number of import requirements scheduled for review in the coming year reflects the completion of a large number of reviews over the previous three years, and so on. Then there has been an adjustment to pest declaration processes. I want to understand more about that. What has been the exact result of that review, and what are the adjustments to the pest declaration processes?

Mr GREEN - We have a declaration process that is prescribed and that I sign off quite regularly, particularly around weeds. But in terms of the change, secretary or Lloyd.

Mr KLUMPP - I am not aware of the change that you are referring to. I might be getting confused with weeds.

CHAIR - Go to footnote 1, with regard to the effectiveness of plant health measures. The plant health measures are mentioned in the previous page then the footnote describes what the effect of that change is - what has brought about the change, it is a number matter.

Mr KLUMPP - I am with you. There has been a review into the number of listed diseases nationally and that results in changes in what pests, weeds, et cetera, are required to have import requirements.

Mr GREEN - Some go on the list, and some come off, don't they?

Mr KLUMPP - So we have had some come off the list.

Mr GREEN - I have never heard of most of them. Effectively, they come down as such-and-such sword grass or whatever it is and it goes on and others come off.

CHAIR - It is a massive reduction from 13 down to 3 for the coming year.

Mr VALENTINE - Does it incorporate marine pests like sea stars and spiny whatever's?

Mr KLUMPP - No.

Mr GREEN - *Centrostephanus*.

CHAIR - I want to understand if I can, first as a preface, the TFGA has raised the matter of the number of inspections of flights and ships in and out and so on, in addition to that then my broader question goes to diseased plants or products into this state.

Mr GREEN - Any fair assessment of where we are at with our biosecurity you would have to say that Tasmania has performed well. We are giving ourselves a bit of a pat on the back. That is not to say that we are not interested in working with the TFGA and other stakeholders as to how we get the best bang for our buck when it comes to surveillance and the work that we do overall. We can interact with the public and try to get small seizures at airports and do all those sorts of things. It is important in making people understand how important our brand is to us and how we want to protect that through appropriate biosecurity measures. And/or we could go to the major import areas and put more effort into making sure that we understand to a greater degree what is coming on, based on a risk profile that the department works on. They are the sorts of open discussions that I would like to be able to have with the TFGA.

I know there is a group established which is advocating on behalf of Tasmania's biosecurity; I think that is a good thing. The more focus - but it is not a bottomless barrel in terms of our resources and when it come to that point we have to make sure that we use what resources we do have in the most appropriate ways. I am still looking to have, and am more than willing to have, discussions with TFGA along those lines.

CHAIR - Any particular emerging threats?

Mr GREEN - There were some. They were talking about seeds and stuff at one stage which was an issue, bulk seed.

Mr KLUMPP - On our radar are things like myrtle rust; that is probably the most significant threat to us at the moment. It has been detected in Victoria. There is a whole range of diseases, but that is the one that is high on our radar at the moment.

Mr WILKINSON - Can you just give me a bit more information about that myrtle rust? I don't want to cut in on Paul?

Mr GREEN - Initially the jury was out as to what particular subspecies or species it was, whether it would be able to progress into the cooler climates, but it seems as though it has come right down the coast of New South Wales, past Eden and into Victoria. Initially, the great worry was around monocultures - eucalypt plantations and stuff - that it could wipe them out because they have had bad experiences with a similar sort of thing in Queensland, but it does not seem to be having that sort of effect for some reason. That is not to say that we haven't got our own protection measures in place. Nothing has changed on what we expect nurseries and other people to do when they are bringing in products that can convey myrtle rust. Overall, they have given up on trying to eradicate it, that is for sure.

Mr VALENTINE - Mr Chair, can I ask a question about how sea stars and sea urchins are dealt with in this portfolio. They are not slipping through the cracks, are they?

Mr GREEN - No, no, they are through Marine Resources. They are recognised the same as Undaria weed and other pests like that.

Mr VALENTINE - It is a harder thing.

Mr GREEN - They are here, but we have not had anything like in recent times like they had in Darwin where they had the zebra clams, or whatever they were, zebra mussels where they noticed an infestation of them in one of the bays in their marina. They went all out to eradicate them and they were successful in eradicating them. The sea stars are a management issue now. The urchin is not what you would call an invasive pest from the point of view that it has come from Japan or somewhere. It is just coming further down the eastern seaboard as a result of climate change.

Mr VALENTINE - I appreciate that and it is a commercial opportunity, I guess, if we can get it right.

Mr GREEN - It seems that way.

Mr VALENTINE - I was wondering whether we have a handle on it.

Mr GREEN - No, I do not think anything is slipping through the cracks. There have been big changes in the way ballast water has to be changed.

Mr KLUMPP - I sit on the National Biosecurity Committee. The National Biosecurity Committee is a subcommittee to the Primary Industries Standing Committee and attached to that are working groups like the Marine Pests Sectoral Committee. That group works through me and I work with our Water and Marine Resources to manage those sorts of biosecurity issues. It does not actually sit within my division and within my output group, but I am involved in it and we do have our hand on that wheel.

Mr VALENTINE - So you get to keep your mind on it. If I can continue with just one further question, so in terms of things like ballast water coming out of ships and the like, do we have some rules associated with that and some powers?

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Mr GREEN - There are rules now. They have to change the water in the appropriate hemisphere and do all sorts of things.

Mr KLUMPP - There is currently some reform in the area happening nationally in the arrangements around ballast water. There are requirements nationally and domestically.

Mr VALENTINE - I know the impact is quite huge, especially on our kelp beds.

Mr GREEN - Yes, like the Undaria. The secretary has just reminded me with respect to biosecurity that it is a whole-of-government -

Ms FORREST - Responsibility?

Mr GREEN - responsibility.

Ms FORREST - He must need lunch; I think his brain is a bit drained.

Mr GREEN - It is hard to think of all of these words all day. It is really interesting on the Undaria, the seaweed which is a very big pest for us. Now, as you know, Marinova is producing various pharmaceutical products and other products from that Undaria weed. Guess what? They are going to import weed into Tasmania because we haven't got enough here any more. They are bringing it in from Argentina and places like that.

Mr MULDER - What sort of weed are they importing?

Mr GREEN - Undaria, not the sort you would be interested in.

Mr VALENTINE - Not the fireweed.

Mr GREEN - It has been a great little industry for Tasmania. Why is it good in Tasmania? Because our water is clean. There is a lot of underia in and around Asia and places but they cannot use it because of the contamination.

Mr MULDER - Just a very short one on that topic. One of the reasons, of course, for setting maximum rock lobster sizes was that they actually eat urchins. Is there any monitoring going on to see whether that is actually occurring now that we have reduced the size?

Mr GREEN - They monitor the natural environment in marine protected areas around Maria and we also have a test area at Elephant Rock off St Helens.

Mr MULDER - It would be far too early to say whether those big rock lobsters are having any effect.

Mr GREEN - They don't feed on them exclusively but they can show the work that has been done, and the movements of the lobsters and the effect it has had, and there are before and after photos of the area completely barren and then with some weeds starting to return.

Mr MULDER - We look forward next year to a report on the impact. If you are in a position to give us a report on the impacts of that now that would be great but, if not, we will leave it until next year if the work is not done yet.

Mr GREEN - I would be happy to get him to give the upper House a briefing on this.

Mr VALENTINE - Excellent. That would be even better.

CHAIR - There have been suggestions in the past that the government may consider requiring industry to make a greater contribution to biosecurity.

Mr GREEN - That is a question similar to one I was asked before. I said at that time that our budget is tough and it might be that if people want to go beyond what we are achieving now when it comes to biosecurity protection then we might have to look at some sort of self-funding regime. We have not done anything about that, but it is always an option for us if people think they want to take it further.

CHAIR - Can you table a profile on the produce that has been confiscated by quarantine officials, please?

Mr GREEN - We can provide you with that.

Mr HALL – Minister, I have a note here suggesting, in relation to biosecurity and product integrity, an amalgamation of services including diagnostic services and chemicals management. Have those two been combined?

Mr KLUMPP - No. What that is about is the shifting of diagnostic services out of output group 6.2 into output group 6.1 because it is more related to biosecurity than product integrity.

Mr HALL - Yes. It was something that had been put through to me and I thought I would check it. I have been reading the note but I could not find any veracity to that. That is all, thanks, Mr Chair.

Ms FORREST - With regard to the GMO moratorium and the review that is going to be done next year, have you made decisions yet on who is going to run that review process?

Mr GREEN - We are thinking about not going as far as we have done with previous reviews. We will be doing more of a desktop-type review. I have not received the advice from the department yet but that it is what we have been thinking.

Mr EVANS - There is a study under way through the Department of Economic Development looking at the benefits of GMO freedom from an economic perspective.

Ms FORREST - About time. That was recommended before the last committee.

Mr EVANS - That has not yet been finalised. It came out of the review.

Ms FORREST - At a previous committee there was a recommendation at that time as well.

Mr EVANS - That study will feed into the review in 2014.

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Mr KLUMPP - That is part of our work plan for next year. One of the very first things we will kick off on is the planning around that review. We have not done that yet because it is part of next year's work plan and when we started that plan -

Mr GREEN - But I have been thinking, and we have been talking about it, and I don't think we need to go the whole hog.

Ms FORREST - The whole hog being?

Mr GREEN - A full-blown review with a huge amount of consultation out there.

Ms FORREST - A number of the recommendations of the last committee review were that there was significant work done in determining the actual science around the health threats or otherwise of genetically modified products or foods. As far as this whole economic analysis of the benefits of being GM-free and promoting that into the world is concerned, from my perspective I don't see that a lot of that has happened.

Mr GREEN - Yes, but it is starting to bite; there is no doubt about that.

Ms FORREST - I am hoping that when we get to the end of next year when the new legislation will come one way or another, we are not going to be told that we do not have any science to back this up.

Mr GREEN - We will endeavour not to do that, for sure. But just on the canola issue alone, meeting the Japanese group and understanding what Western Australia had done in changing their rules and then having them knock on our door really did highlight to me the advantage of having the moratorium in place, particularly on the basis of our niche and where we want to be competitively.

Ms FORREST - We need to see some evidence of the markets. Honey, for example, relies very heavily on its GM-free status, particularly into European markets.

Mr GREEN - Yes, they are very concerned that we might change.

Ms FORREST - Yes. Personally, I think the evidence needs to be made available.

CHAIR – Minister, we will break for lunch and start with IFS straight after lunch.

The committee suspended from 1.09 p.m. to 2.04 p.m.