

**THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON THE COSTS OF HOUSING, BUILDING AND CONSTRUCTION IN TASMANIA MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON FRIDAY 18 FEBRUARY 2011.**

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**Mr GREG ALOMES**, CHAIR, AND **Mr PETER FISCHER**, DIRECTOR OF PLANNING, TASMANIAN PLANNING COMMISSION, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mr Hidding) - Thank you for your time today. This hearing is a proceeding of Parliament, which means that it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without the fear of being sued or questioned in any court or place outside of Parliament. It applies to ensure that Parliament receives the very best information when conducting its inquiry. This protection is not accorded to you if your statements that might give concern are repeated or referred to outside these confines.

This committee was set up because the Parliament held the view that there might be some costs of building in Tasmania that could be identified as being onerously applied or through various provisions of public legislation or regulation that were driving up the cost of building in Tasmania. Whether that is or is not the case is what we are looking at. There is no question that much of our evidence to date points back to the planning systems in place in local governments and around Tasmania. I guess the underlying logic behind that is that time is money and with holding costs being what they are, a notion that a three-month delay is just a process to go through, to someone from the outside a three-month delay with a holding cost of a \$1 million project is substantial. We are looking at the balance between what is reasonable in terms of responsible planning and what is appropriate in terms of costs.

We thought we would ask you to come in so that we can kick around with you where we are at now. We understand that you have planning directives that you are working with and this is an opportunity for us to discuss those. I don't think they are highly controversial or anything, but I think the evidence we are getting around the State suggests that we have to get a handle on it. We are really pleased to be able to talk through all that material with you. Would you like to make an opening statement?

**Mr ALOMES** - Firstly, thank you for the invitation. I would agree with you that there are issues in how the planning legislation is managed and how the planning authorities, of which we are one, at the State level and local authorities manage that legislation and indeed how they use the opportunities in the legislation to make planning work more efficiently. I don't know whether you have read our annual report but in my statement in the opening of the annual report I make the case that planning should be about enabling and facilitating development rather than being seen as a barrier and a mechanism for deferring or delaying decisions. I have to stress very quickly, following on from that statement, that the resource management planning system outlines some very clear objectives for the legislation. Those objectives talk about sustainable development. It is a term that is defined in the legislation and the objectives clearly state that we have to

make sure that the planning that is done results in sustainable development. I would argue that we also need to think about sustainable communities as well. Sustainable development tends to focus on a site that a development proposal is related to and we need to see always that if we just look at a site there is a community around that site that has to be taken into account. It isn't just about sustainable development of the site; it is really seeing that the environment, whether it be an urban environment or a natural environment or a mixture of both, is sustainable both on the site and in the community. The critical question is how do you make the legislation work. I believe the legislation at the time was very advanced and I still believe it is appropriate, so I would argue very strongly that we are not in need of a major revision of the legislation. It is contemporary, I think, and I think it would stack up well against other States. The issue is how the system is managed.

**CHAIR** - And resourced?

**Mr ALOMES** - I am not here to make a lobbying bid for the TPC to get more resources, but if the committee so decided to support such an approach I would be very willing - gracious in fact. We could do with some more resources and we have made approaches and submissions to the Government on that front but I want to stress that I don't believe - I am going slightly off track so you will have to keep me on track -

**CHAIR** - We will do the opening statement and we will keep it fairly free-wheeling.

**Mr ALOMES** - I will just make a statement about the resources. I do not believe we need to establish a massive planning department. What we need to have is a role that the commission plays which is about facilitating the people that work in government agencies, that work in communities, the development community, and we need to help facilitate their engagement with the planning system. I am probably a little nervous in providing the full document because it has not been approved by the commission but I would like to show you a page and try to explain what planning is.

**CHAIR** - Just before we go on, do you want to circulate that and then take it back?

**Mr ALOMES** - I am happy to give it to you. The page here is not confidential.

**Mr BOOTH** - Greg, you mentioned that it was not so much the planning system as such but I think what you were getting at was that different jurisdictions may have different ways of interpreting the schemes and the application of that that is slowing down projects. Is that a reasonable interpretation?

**Mr ALOMES** - No, I am talking about the legislation in total. If you like, I can highlight what I think the issues are and this has been in our last two annual reports, that 70 per cent of all planning schemes were approved at least 10 to 15 years ago and it usually takes four or five years for them to be prepared. If you look at all of the planning schemes that exist, that means that they are out of date; they are not contemporary schemes.

**CHAIR** - All of them?

**Mr ALOMES** - No. We have five or six that have come in since 2000.

**CHAIR** - West Tamar, for instance, has got it.

**Mr ALOMES** - West Tamar, Clarence, Kingborough, Central Coast. I don't think there are any others that have come in since 2000 so in the last 10 years we have had five planning schemes processed and there are some that were ready to go, like George Town, Meander Valley and Hobart, but if you look at even the capital city, Hobart's planning scheme was approved in 1982 so for the capital city it is working effectively on a document that is quite old.

**Mr BOOTH** - Greg, just to get focused on the area I am trying to get to, how does the fact that you have an old scheme slow down development or drive up costs?

**Mr ALOMES** - Let me take you to the diagram. What this diagram attempts to do is, in a very simple way, explain the planning system and if you go to the right-hand column which is headed up 'Process' it is what most people think planning is. When someone puts in a development application a planning scheme essentially says whether it is permitted, in which case there is no advertising or third party representations and appeal rights, or it is discretionary, in which case it is advertised, people can make representations and there can be third-party appeals to the tribunal, or it is prohibited. That is a fairly simplistic statement but that is essentially what people think planning is.

**CHAIR** - That is what Tasmanians or any reasonable person would say is the planning process.

**Mr ALOMES** - I would argue that is not planning; that is development assessment. The distinction I draw with planning is that if you look at development applications the second column from the right says 'schemes and zones'. Planning schemes essentially set out zones and they cover the entire municipality. So a residential zone is essentially a statement by the council as the planning authority that that will be a residential area and then they have a series of definitions of what can occur in that zone. So, can you have anything other than houses or can you have units? That is where you start to get whether it is permitted or discretionary or prohibited. Then you have development standards, things like set-back height and all of those physical details that relate to it. There may be statewide planning codes in place that have to be met. So if we had a statewide bushfire code, for example, that would override and be relevant to the assessment.

**CHAIR** - So these are the overlays?

**Mr ALOMES** - They are the zones and there can be codes that apply across them and then you can have overlays, but today we cannot get into too much detail of what is in a planning scheme.

**CHAIR** - What about the State policies, such as coastal?

**Mr ALOMES** - I will come back to those but they do apply as well. The point I am trying to make is that the development application is received and is assessed against the planning scheme and the zones and what is in that document. My point in trying to answer your question is if there are old planning schemes. The classic case I use is Dick Smith's proposal for an ecotourism resort at Tasman. That was received I think in 2004 or 2005

and the so-called planning process was an assessment of that development against a planning scheme that was approved in 1979. The strategy in that planning scheme would have been prepared in the early 1970s and I am not sure that 'ecotourism' was a term that was used in the 1970s. I was around then but I do not recall it too much. So planning is seen as assessing that application against a 1979 document and I think it is remarkable that that document was able to deal with it, to be perfectly honest, because something that is 30-40 years old is certainly a difficult thing to do for a current-day development.

So the point about the age of the planning scheme is that it may not be contemporary and up to date with what development is occurring and the zones reflected in that planning scheme may or may not be relevant in today's environment. So the age of the planning scheme is an issue because that is what everything gets assessed against. In the context of Sullivans Cove, for example, the planning scheme was approved in 1998; the strategy was developed in the late 1980s and early 1990s and it was around a working port. So it is not surprising to me that development applications in the cove strike difficulties because the cove has changed significantly in that 12-year period since that scheme was approved.

**Mr BOOTH** - That might relate to a prohibition because of the nature of the scheme being designed to protect certain things that no longer exist, but I was getting at differential cost across different jurisdictions. Are some councils interpreting the schemes or the prohibitions or the discretionary applications in a different way than others might?

**Mr ALOMES** - There is a range of issues that come from the point I have made. You can have schemes that are difficult to work with and it is very hard and leads to time delays, requests for information, studies and all sorts of things. So there can be time and that can be a cost, as you said. It can be a direct cost to developer in terms of the studies and information they have to gather, and your point is valid as well.

**Mr BOOTH** - So you do have some jurisdiction? If you had two different planners, if you like, or two different planning departments in two different jurisdictions with identical schemes and identical applications, would you expect that they would both end up with exactly the same assessment? The criteria should be the same, and the same process.

**Mr ALOMES** - Ideally yes, but the reality of the way planning authorities work is that planners work within their own area with their existing scheme. This is one of the challenges we have now that we are working through the updating of all schemes against a common template for a planning scheme. The issue is going to be, what professional development process can we put in place to ensure that the planners, who have been working somewhat in isolation in some of the small councils and even the bigger councils, are au fait with the intent and the content of those new schemes and that they are consistently interpreting them.

Theoretically, same scheme with two different planners looking at it should come up with the same result. However, you would be aware with legislation and regulations, with lawyers giving them advice, quite often they will look at the same set of words and come up with a different set of advice. That is one of our challenges: when we do get everybody on a common template with as great consistency as we can, there will still be the issue of interpretation. But I think that is a professional development issue, an

education and training issue more than anything. We need elected members of councils to also go through that process.

**CHAIR** - You say there have been only six new planning schemes since 2000 and West Tamar is one of them. We understand that these new planning schemes in some cases are the ones causing the problems. For instance, they have this P1 arrangement. If you take a simple dwelling plan down to the West Tamar Council they will charge you for planning assessment, despite the fact that it is a permitted use. They will charge \$400 to check the set-back and height. In Launceston City Council it is a one- or two-minute thing because it fits in the envelope. Launceston City Council looks and does not charge a cent. Is it your contention that all planning schemes should have this ability for councils to be able to charge for it?

**Mr ALOMES** - Charging is a matter that we have not gotten into. That is a matter for government.

**CHAIR** - It is not permitted if you have to pay for it, I would have thought.

**Mr ALOMES** - I come around to the point that you are making from a planning perspective so that it may, if we can achieve this, assist government or parliament in making a judgment about fees. At the moment fees are determined by councils. We do not set it but the only fee that we charge is for an amendment to a planning scheme, for which we are paid \$272. We probably spend the equivalent of \$2 000-5 000. That is the only way that we get involved with fees. My experience in a council would say that there is great variety in the way in which councils set fees for planning, and internal policies guide that. Government have not chosen to regulate that to make it a consistent fee for all. The way we see this issue being addressed is by getting consistency in the way in which development and uses are categorised in planning schemes and how they are set up. Coming back to the diagram, if we have planning schemes in the tools box as consistent as we can, then things that are planned and appropriately minor should not even require a permit. They could be exempt or, as you say, a P1.

**CHAIR** - Tell me about P1; what does it mean?

**Mr ALOMES** - I am not sure that I like the term P1 but what we can do is categorise development into certain categories. I have already mentioned 'permitted' and that is where a permit has to be granted. There is also discretionary and prohibited. There is also an attempt now to make sure that we have exemptions, so some things will just be exempt and you won't need to have a permit.

**CHAIR** - What kind of things?

**Mr ALOMES** - For example, in Hobart Ports they can build a wharf and they're exempt for building a wharf. That is a classic example of a piece of strategic infrastructure where it is a port and they should be able to build a wharf without planning approval. That is a strategic example but it could well be that things such as carports, sun decks and those things don't require a permit provided they meet certain standards. I prefer the term 'complying development'; in other words, the standards are set out and they comply and don't need a permit.

**Mr BOOTH** - Would you see that flowing onto other issues? You talked about the port: where you require a wharf you also require a shed, bollards on the footpath and all sorts of things. Would you see that extending to domestic buildings with carports -

**Mr ALOMES** - That is the subject of the reform we are currently going through. There are three planning directives that are relevant.

**CHAIR** - What are they?

**Mr ALOMES** - The first one is what we call Planning Directive No. 1, which is the common key elements template. It is hard sometimes to explain what that means but it is essentially saying we will have common zones across Tasmania. At the moment there are numerous zones in all planning schemes.

**CHAIR** - The old semi-commercials and urban residential.

**Mr ALOMES** - Yes, that's right. Even 'rural' at Meander might be different to 'rural' at Tasman. Even though they have the same name, the definition is different. You can have multitudes of different definitions and zones.

**Ms ARCHER** - And some councils have some zones that others don't.

**Mr ALOMES** - Yes. In Hobart and Launceston there are a lot of zones that are special purpose zones for particular areas.

**Ms ARCHER** - The University of Tasmania.

**Mr ALOMES** - Yes. The Sullivans Cove scheme talks about 'areas', so they are not about uses. The whole idea is to consolidate down. There are going to be 24 or 25 zones. That is where I come back to the diagram. I have highlighted that the two right-hand columns are the statutory assessment process, but the two left-hand columns are the critical ones. The whole point of a planning scheme is to implement a strategy and that strategy is for the growth, development and management of a municipality. The strategy that the council has is to be implemented through its planning scheme, so the planning scheme in itself is not something magic; it is just a translation of the strategy and the strategy is translated through the zone. As I was saying earlier with residential, if a council zones an area as residential and it's approved by the commission then clearly the strategy is for that to be a residential area. You should be able to proceed to get a permit to build a residence in that zone, unless there are conditions applied - say, multi-unit development - that require some further consideration. The principle behind planning is that you have a strategy that says, 'We see this as an industrial area. We've done all our research. From an environmental perspective there aren't issues; from an access and infrastructure point of view there aren't any issues or they can be fixed. We've dealt with heritage issues and the natural resource issues', so it is zoned as 'industrial'. That zone should be the permit to proceed, provided it meets all the other regulations that government has. From a land-use perspective, the strategy and intent is clear. If the strategy is not right, it needs to be changed.

**Mr BOOTH** - Within that zone there could be a heritage overlay, even on an industrial site.

**Mr ALOMES** - There could be things to protect it so you have the flexibility to do it. In simple terms, once we have developed the strategy, the zone is the way you implement it. We are keen to see the planning scheme then being the implementation tool that enables you to implement planning. The weakness in the age of a lot of planning schemes is the strategy behind it. The Government's initiative to do regional land use strategies and encourage councils to update their local strategies is to try to get the strategy understood. A council might want to facilitate a commercial district, so they actually do the research, get the evidence, support the case and then they do the necessary land use assessments - all of the things I mentioned earlier - and that becomes a strategy. Then they translate that into a planning scheme by selecting the zone that most appropriately delivers that strategy and then you are fully into implementation. The left-hand column is where we are weakest and I pick up the issue of State policy here. Coastal policy and protection of agricultural land are all statewide strategies or policies that need to be implemented. In the green column we highlight all the ways you can implement those strategies and we are trying to get consistency in those implementation tools. The interim schemes we are talking about at the moment - statewide codes, any amendments, planning directives - are all about implementation of a strategy. It is the strategy that is the planning and that is what we have not been doing enough of.

In the context of that, the regional land use strategies are attempting to coordinate infrastructure provision with the designation of land. We have done all the Aboriginal and European heritage issues. We have done that work so that for the industrial or residential or commercial site we have dealt with most of if not all of the problems and the developer knows that they can proceed, and the community knows that they can proceed, because the rules have been set. That is where we have to shift the community's understanding of planning from the development assessment level to the real strategic planning level.

**Mr BOOTH** - Then there would be effectively a performance-based application in that sense, provided it met the zone intents and fitted the permitted development.

**Mr ALOMES** - That is right, so my argument is that any report government does on agricultural development, the waterfront, the master plan, should lead to an acceptance of a change to the statutory planning scheme, otherwise you have done a report for what purpose. It is about a strategy that you are developing to implement through the statutory planning system, but there may be other levers that have to be looked at to implement that strategy. It could be that infrastructure needs to be provided to support the implementation of that strategy and so you need your infrastructure strategy to be dovetailed to your land use and planning scheme. That is where a lot of cost and delay is incurred by trying to align those things at the DA level and it is far too late. Indeed people are appealing and getting involved but it is almost too late at that point. The tribunal very much look at the planning scheme and the legal interpretation of that planning scheme in their determinations. It is the words in that planning scheme that they assess against, not the broader planning principles.

**Ms ARCHER** - You just mentioned the cove's master plan and of course you have the southern regional land use strategy. Would it be the commission's intention to therefore take into account the cove's master plan as a strategy document like the southern strategy?

**Mr ALOMES** - Yes, absolutely. Planning needs to be supported in two ways. Planning is around community's values and what they see as being important in their area. Their aspirations are very, very important. Then you will have planners, who have values; you will have engineers, architects, a whole lot of people that have values and opinions about what should occur in an area, but then on the other side you need to have some evidence and information to help test those values. It is a balancing act between the facts and the values. But at the end of the day, the vision for an area should be determined by the value statements that the councils, representing their communities, want to put into their planning scheme. But market reality and the cost of infrastructure, the natural resource, the heritage, all of that evidence needs to be built in and taken into account. So it is very much about balancing values and evidence. At the moment in Tasmania we have very little evidence-based planning, we mainly have values-based decision-making and that quite often leads to fairly controversial, 'them and us' type of discussion at the DA level, whereas my view is that those value discussions should be held at the strategic level and should be tempered with the best information we can provide to help support that decision making so that the strategy is a good strategy and it can then be implemented through the selection of zones and the performance provisions and so on that are put in the zones.

**Mr BOOTH** - If I can just step back there. I want to go back to the example of the wharf et cetera and the provisions for an industrial zone - and I am suppose referencing this to my own experience, as you would well recall the Timber World planning dispute that nearly brought down the Deloraine Council over inappropriate planning decisions?

**Mr ALOMES** - I do recall that.

**Mr BOOTH** - However, one of the points there with the sawmill was that every time I wanted to build a toilet or something I had to apply for fresh planning permission. While the entire seven acres had been designated as an industrial site effectively, if I wanted to do something to employ more people or to comply with Workplace Standard issues and contemporary requirements for better lunch rooms or God knows what, I would have a drone's castle activated, regulating activities that were just the normal activities that a business needs to do in terms of moderate growth or whatever. So you would be saying that would then just be basically a performance-based thing and you would get your planning approval to operate that activity on that site and if you needed a store room you could apply to council and have building permission rather than going through planning?

**Mr ALOMES** - Precisely. I will quote an example in Kingborough which I am familiar with. It had quite a history: there was a chap who had bought an old shack on the foreshore at Margate and he wanted to build a house. But he could not knock the shack down; he had to extend it. You cannot really see the shack now that it is all finished.

**Mr BOOTH** - Right, it has been engulfed by the extension?

**Mr ALOMES** - Yes. But every time he wanted to do something he had to put in an application and advertise it and he came to see me and had literally spent well over \$150 000 just on planning. I said to him, 'Do you realise what the problem is here? Your site zoned recreation, so the council strategy is that this should be a recreation foreshore reserve in effect and what you should have done was apply to the council to amend it to residential and spot zone it as a residential.' There was no way that the



council would have bought that land at the price he paid for it and there was no way it was ever going to be recreation. He might have done private recreation on his site, but we will not go there.

**Mr BOOTH** - Yes, or public recreation.

*Laughter.*

**Mr ALOMES** - But it was not going to be public recreation unless he invited friends. So the issue was that he should have been advised by council that strategically this should have been rezoned and if it had been rezoned residential, most of his developments would have been permitted and he would have saved all that money.

**CHAIR** - That is a good example but every day out there, not even in the development world, just in the community, there are councils that are driving people crazy through the operations of their schemes at their front counter. For instance, at Sorell, DPAC has hired a building for an office and the owner of that building went to the council and applied for a change of use. It was a wine cellar and now it is going to be a parliamentary office and it went through the planning system. There was advertising and it was granted, but one of the conditions said that any sign writing would need to be separately applied for. So the tenant moves in, wants to put his name up on the front of the building, on the awning, and you go down to the council and discover that it is another \$490, which was the price of the first one. The funny thing is that it happened to me, just as we started this committee.

**Mr BOOTH** - How do you think an offensive sign should be considered?

**CHAIR** - Yeah, yeah. But the point is that even then I had to grant them a two-day extension to do it. It is happening everyday to Tasmanians out there who are driven crazy by this sort of thing. Why would you need to advertise a sign on a predetermined building - that is what you are talking about.

**Mr ALOMES** - It is a good example.

**CHAIR** - If the Hobart Ports is allowed to build a wharf because that is what they do, wouldn't you think an office should be allowed to put up a name because that is what it is.

**Mr ALOMES** - I mean no disrespect with what I am about to say, but what is the difference between a wine cellar and a parliamentary office.

**Mr BOOTH** - In his case they are extraordinarily similar.

*Laughter.*

**Mr ALOMES** - I did not say that. I read the notes and I have to show due respect to the members. But it is a retail use and a commercial/office use so why in a town like Sorell is that so critical? That is why I come back to what was the strategy that was behind writing the provisions of the scheme - the performance provisions, under that zone that caused it to have to be advertised? That is what we have to question. What is the benefit

to the community of that being advertised or is it only being advertised because the council are not sure and they really want to get a third party opinion to help them make their decision? You should not have to get community opinion on those sorts of things. That should be dealt with at the strategy level.

**Mr BACON** - When they have a new scheme will that be fixed then?

**Mr ALOMES** - The devil is going to be in the detail of what comes forward in their interim schemes and this is why we are arguing.

**CHAIR** - I now want to know about these interim schemes.

**Mr ALOMES** - Planning directive No. 1 was first brought in in 1983 and only West Tamar and Central Coast have been developed under that planning directive. We, as a commission, have undertaken to review Planning Directive No. 1 because of the deficiencies that we picked up through an audit of Central Coast and West Tamar.

**CHAIR** - Okay, so you have done that?

**Mr ALOMES** - We did do an audit, yes.

**CHAIR** - Were the deficiencies substantial?

**Mr ALOMES** - The sorts of issues that we picked up were that there were too few zones. We had 14 zones. Kingsborough, for example, in its scheme has six zones and that causes great confusion because there is a lot of detail under, say, business and commercial and you can do some things and not others, so there are too few zones. You need a zone to be defined in a way that it enables your strategy to be implemented. It is about implementation of strategies. What we have done is reviewed it, we did an audit with the councils - the three regional representatives who are doing the three regional land use studies plus officers from those councils - and we produced a Planning Directive No. 1. It was difficult to get planners to come to a consensus agreement of what should be in it and indeed we then put it out as a planning directive and the panel that is assessing that has almost completed its task. That will be provided to the councils as a template.

**CHAIR** - The planning directive, what is its basis? Is it a directive that comes from your commission?

**Mr ALOMES** - It is.

**CHAIR** - To whom?

**Mr ALOMES** - To the minister to sign off. But it is essentially providing a common structure for planning schemes and a common format, common zones and common definitions.

**CHAIR** - It is a directive in the community?

**Mr ALOMES** - We will be assessing any planning scheme against that directive. So they are obliged to comply with that directive.

**Ms ARCHER** - Once you have ministerial sign-off.

**Mr ALOMES** - Once it is approved, yes.

**Mr BOOTH** - Sometimes the direction comes the other way, doesn't it? The minister directs the planning commission like the PAL policy, for example, which then imposes a burden or an obligation on the TPC to create that directive, send it back to the minister who rubber stamps it and off it goes.

**Mr ALOMES** - Anyone can prepare a planning directive - the minister, we can do it, any member of the public, councils.

**CHAIR** - At the end of the day it's a directive from the minister.

**Mr ALOMES** - Someone can recommend it to the minister, he gets our advice and then makes the decision.

**CHAIR** - So under delegated authority he has the head of power from Parliament to create this directive.

**Mr ALOMES** - I see that we will be potentially generating some of these planning directives to keep sorting through, getting the consistency where things don't need to be different. There are lots of planners who have their own personal or professional philosophy about what a scheme should look like, even right down to the wording of using the words 'shall', 'must', 'may'. You can have fairly long arguments about those words and which one gets used. It can get pretty passionate.

**CHAIR** - How far away are you from finalising that directive now that you have done the audit of those two, which was useful to do?

**Mr ALOMES** - The target is the end of February but the panel has come back to the commission and said that one of the issues with PD1 will be how people interpret it, so they are now working on a set of drafting instructions. This morning I was talking to the director in my organisation, who is working with the panel, so say they have to come out with something by the end of February. At the moment we are having legal checks of this because this has to stand up in the tribunal and the Supreme Court. We are in that final phase of assessment and we have a QC vetting it. We have a number of legal people checking it.

At the end of February there will be one of two things that come out: one is the complete planning directive or an exposure draft of the final directive, but not the drafting instructions.

**CHAIR** - So let's say the end of March - it matters little.

**Mr ALOMES** - I am saying end of February because it's a very sensitive issue.

**CHAIR** - So let's say directive no. 1 is out there; you have come up with a set of words that all the players agree they can work with. When does it become effective for all future planning schemes, of which there are really only two.

**Mr ALOMES** - That's the point with the regional planning initiatives that the Government implemented: the councils have signed up to a memorandum of understanding to produce interim planning schemes based on that template.

**Mr BOOTH** - Will they be imposed on that date?

**Mr ALOMES** - They've been working on their interim schemes in the north and north-west. In the north they are committed to have their draft finished by April this year and that will come into us for a vetting to see if it's drafted consistently with PD1 and the drafting instructions. We are hopeful that we can get it back to the councils and the minister by mid-year.

**CHAIR** - So those regional schemes, let us say the north comes up with its regional scheme in due course -

**Mr ALOMES** - Regional schemes - there is a scheme for each council but they have a regional cohesiveness, so it's not one planning scheme.

**CHAIR** - So it's not done by the Launceston City Council, it's done with their assistance.

**Mr ALOMES** - Each council is doing its own, but under the guidance of the regional planning group and the management committee, which I sit on. We very much have a collegiate approach to this.

**CHAIR** - Will they get the work done in time?

**Mr ALOMES** - They will, yes.

**Ms ARCHER** - So we'll still have 36 or 38 planning schemes?

**Mr ALOMES** - Yes, but they will be as consistent as we can make them because there will still always be what we call 'local provisions' where there will be differences that have to be met.

**CHAIR** - Give us an example of why that would need to be the case.

**Mr ALOMES** - Take Battery Point or a sensitive environmental area, you may need to put in an overlay or an additional set of local provisions that cover those special characteristics. Councils will always have some of those areas, so Sisters Beach you might treat differently to the way in which you would treat Burnie, for example.

**Mr BOOTH** - What about where you get something like a subversion of the intent of the scheme by the imposition of a State policy or an exemption such as private timber reserves, for example, taking areas out of the planning scheme - and Forestry as well? They are now even claiming that landscape overlays don't count if it's a forest operation, for example. Aren't these impossible contradictions in terms of trying to maintain a

planning system where you get this imposition of an exemption? Marine farming is another problem that is starting to arise as well because of the exemption.

**Mr ALOMES** - It is complicated with marine farming because they have land-based activities and we need to coordinate the two processes. To be perfectly honest, right at the moment planning has been largely neglected for 15 to 20 years in the context of old planning schemes. We only have three State policies - and I am not trying to be critical but just factual - and my priority and the priority of the commission is to deal with the core issue, which is to get those interim planning schemes done and then there are a whole lot of issues about other government regulation and legislation. At the moment I just want to get our act together and up to speed because that is the critical thing that we have to do. Once we get everybody on an interim planning scheme basis with a common template, a common foundation, then rolling out reform in that system is going to be much simpler than it is at the moment.

We then come to PD3 and PD4, which were built around the whole -

**CHAIR** - Sorry, what was PD2?

**Mr ALOMES** - PD2 was about water irrigation. You may recall at Meander Valley there was an appeal against the irrigation pipeline. A dam was built but suddenly when the pipe was actually proposed there was an appeal. It was a good example of a major project and I am arguing that with major projects, whether it be the Meander Dam or Parliament Square, there should be an audit of the planning requirements in the schemes that exist. It should be a regulatory audit across the board, in my view, and all of those things should be thought about, so when approval was sought for the dam we should have thought about the pipes and all those things. It should all have been done as one proposal.

**Mr BOOTH** - That was because it was a parliamentary act approving something that had been rejected already by RMPAT, so it is a perfect example of where Parliament has interfered in the planning process and they have created a monster.

**Mr ALOMES** - That is why I argue right at the beginning of any of these things, whether it be a project of State significance or of regional significance, that the old saying 'preparation is everything' is absolutely right. I am arguing to the Department of Economic Development, Treasury, DPAC and ministers I meet with to do a planning audit right at the beginning so you know what the planning scheme says and you know the potential -

**CHAIR** - At the commencement of a project?

**Mr ALOMES** - Even before the project; it is the first thing you do. It was a lesson that was brought home to Peter and me when we saw Richard Bevan, the CEO at Transend, because he had been having all sorts of difficulties with linear transmission lines. He said to us that he now puts statutory planning right at the beginning of the process, even before pen is put to paper almost. We have the concept that we want to go from here to here, so let us do an audit of what the planning system says. I think that is critical now even though we are trying to move to improve the planning scheme system and the way strategies -

**CHAIR** - It still holds.

**Mr ALOMES** - It still holds. Parliament Square should have had an audit of the planning requirements and a decision taken as to whether there should have been an amendment to the planning scheme so that that development could be tested at a strategic level and whether the scheme should be amended or not. That would have saved the developer and the government quite a bit of money because they would have received an indication as to whether this would be a permitted or a prohibited use.

**Ms ARCHER** - As to the cost of that, if the Planning Commission is better resourced wouldn't it be better if the Planning Commission undertake such an audit rather than, for example, the developer?

**Mr ALOMES** - That is my view but that is not something I have tested yet with the commission and that is why I have not given you the rest of this paper.

**Ms ARCHER** - If you had a larger budget you could have part of the Planning Commission that constantly deals with reviewing planning in Tasmania.

**Mr ALOMES** - Yes. I would like to have an officer or two in each region who have their noses and ears to the ground as to what is happening so we bring the planning issues out right at the beginning and we have a strategic discussion with the community. Does this fit? If it fits then the planning scheme works. If it doesn't fit, do we want to change the strategy? If we do then it is advertised, let's have the public debate, let's have the hearings, let's resolve whether the planning scheme changes or not. If the planning scheme doesn't change then the developer has a clear view that this is a red light. Developers will quite often be disappointed but will congratulate you - and I have done this in local government - because they got an answer without spending a huge amount of money. It doesn't take away their disappointment, and they still give you a good belting, but that's okay because you have managed the legislation and you have managed the system so the community can engage earlier in the process.

**CHAIR** - Good; that is PD2.

**Mr ALOMES** - PD3 and PD4 are about residential development and they were two interim planning directives because the regional land use process was going too slowly. The councils were behind in terms of getting their regional strategies done and their interim schemes, so they came in as interim arrangements to deal with existing schemes. You may have noticed some frustration from the Housing Industry Association that was expressed in the media. They were saying, 'Well, hang on, we can't wait for these interim schemes; we want it now.' So those two directives are geared to trying to have that implemented with existing schemes.

The issue we are trying to grapple with at the moment is whether that will apply to interim schemes. We are testing it legally to see whether we can make it apply to interim schemes. There is a series of technical issues over how we get it into interim schemes.

**Ms ARCHER** - PD4 is the single-dwelling residential planning code, isn't it?

**Mr ALOMES** - Yes. HIA express it very simply. If you have designated an area as residential and there has been a subdivision, you shouldn't have to go through another layer of approval to put a single house on a single lot if it meets the development standards. It should be a complying development.

**CHAIR** - But will PD4 be required if PD1 is out in the marketplace?

**Mr ALOMES** - Yes, it will in the short term because PD1 is about new schemes, not existing schemes. PD1 is about the interim schemes that are coming in. They are about the new schemes not the existing schemes. PD4 is about the existing schemes. The challenge for us at the moment is to ensure that what comes out of PD4 assessment actually goes into the interim schemes. We're working out how to do that within the legislation and the process.

**Mr BOOTH** - So it is up to the council basically even though it is a directive. If they drag their feet it doesn't happen.

**Mr ALOMES** - Yes. The principle means by which we have to do it is negotiation, but we do have a few sticks if the minister is prepared to use them.

**Ms ARCHER** - What are the sticks?

**Mr ALOMES** - We didn't have any resources to assess this, so we've had to do it as cheaply as possible, but still valuable resources are being used to assess it. I want to make sure we get a positive outcome. So if councils are not willing, at the end of this whole assessment process, to build it into their interim schemes then they have to submit their interim schemes to the minister and the minister has the power to accept or reject them. If he rejects them then we go into a process where - and we are testing the legality of this - we as a commission can recommend that a council prepare a scheme. So there are a whole lot of things with the minister's approval that we could do. They have never been exercised by the commission in the past, which I think is a shame. I think the commission should have been requiring councils to update their planning schemes and they haven't done so.

**CHAIR** - This sounds a leading question, and in a way it is, but we should clear this up: have you been required by the minister to undertake work on these planning directives in a way that doesn't meet with the approval of your commission? Are you labouring under political input here? Do you agree with where we are at? I am not asking for a wedge between you and your minister, but clearly as a commission sometimes you are provided with tasks that can be clunky and don't quite fit.

**Mr ALOMES** - That has not been our experience since I have been heading up the commission. However, we have given advice to the minister that has not always been accepted but he has the power and I respect his power to proceed with a planning directive and we will pursue that in the same way that we have pursued State policies, like the coastal policy. So we have a job to do, we get on and do it and we do it expeditiously and we do it to the best of our ability. But it does not mean that at the end of it, that planning directive will be adopted. We were directed in relation to irrigation and it was rejected by the independent delegates. So it came to nought but in the process

we learnt a lot about how we should deal with that issue, and that is the important thing, that we had the final say on that.

**CHAIR** - We heard from the development sector that every important regional city and capital city in Australia has a settlement plan and if you are thinking about development, you basically log onto the website and look it up and what do these people want to do? There is no such thing for Hobart, which is quite an indictment really. But that is a personal feeling. I am from up north and there is not one up there either, I think.

**Mr ALOMES** - I know. I am from down south and I travel a lot to the north and I think it is an indictment on north and south. The State needs a settlement strategy and a population strategy, and we have that in our business plan as one of the things that we want to do.

**CHAIR** - Is that something that your Planning Commission could do?

**Mr ALOMES** - We are not doing it at the moment because we do not have the resources. What we are waiting to do is see what comes in from the regions and then see if we can do it. But I have managed to get some free resources from the university to start looking at the population growth, ageing and employment in a spatial distribution so we can better understand our history because if we do not understand where we have come from, it does not mean that that will continue but it gives you a basis on which to start testing some scenarios. We have a very bright young man from the university working with us to do some spatial analysis of population, ageing, employment and then growth and dwelling projections. We want to run several scenarios because we do not have a population and settlement strategy and the commission believes we need to have one because some people in the community will say, 'We do not want the State to grow in terms of population. We are sustainable as we are'. But we have had growth and over a 30-year period you get 30 000 or 40 000 people. A former minister thinks Tasmania could have a population of two million and my response was, 'But, Minister, I do not know where the next 1 000 are going, let alone the next 10 000 or the next 500 000, if we received it'. I do believe Tasmania will be an attractive place for people to relocate to. and there are probably people around this table who have done that.

**Mr BOOTH** - But that belief was simply a thought bubble by the minister.

**Mr ALOMES** - No, it was a statement of his vision for Tasmania, and that is what I said, a lot of planning is around people's visions and values. There would be other people with completely different visions and different values.

**Mr BOOTH** - Did he shred that thought?

**Mr ALOMES** - I don't go there. I spoke to the Australian Statistician, Brian Pink, and his view was that with growth in Melbourne and Sydney, Tasmania potentially could experience a small percentage of those people wanting to come and live here and if that happened, our population could grow by a couple of hundred thousand, and we do not at the moment have a strategy, as I say, for the next 1 000 or the next 10 000. We need to do that. Is it going to be on the fringe, is it going to be in Hobart, the north-west coast or Launceston?



**Ms ARCHER** - This is where your land-use strategies come in handy because you need to be looking at density and issues like that.

**Mr ALOMES** - Yes. We have a complex analysis to do because of the ageing population but the work we have done in Hobart on the capital city project is already showing that, yes, there is a growth in the upper age group, so the proportion in the upper age group is increasing. But what is not happening is that it is collapsing underneath and so we are maintaining our numbers in the younger age group. That is a really interesting dynamic to think about. The concern Tasmania has is that we have an ageing population and we are growing, and we are growing because a lot of older people are choosing to come and live in Tasmania. But we need to be looking at the younger age profiles and cohorts and working out whether they are diminishing or staying the same. If they are staying the same, that is quite interesting and the whole way in which we work to keep a balanced population profile is critical to that strategy.

**Ms ARCHER** - So the commission's responsible for the capital city strategy or plan. How is that tracking?

**Mr ALOMES** - It is tracking very well considering we do not have any resources. We are getting good cooperation from the Southern Regional Land Use Group and we are getting good cooperation from the agencies and councils that are involved. So we are doing this very much on facilitation roles. We are bringing them in. We have had constant meetings over Christmas and New Year and we will be going to our Project Steering Committee at the end of March with a draft plan and with the gaps and holes we need.

The biggest difficulty we have with planning is the lack of evidence and so regarding the comment I was just making about population, we have some projections that were done by a committee that Treasury operated but there is not a lot of sophistication in their forecasting and so we need to be much more sophisticated in how we look at options and scenarios.

**Mr BOOTH** - ABS has done a fair bit of work on that over the years.

**Mr ALOMES** - They have but as Brian Pink points out, and he is quite right, they base it on the birth and death rates and net migration when in fact -

**Mr BOOTH** - Not based on emerging trends or opportunities?

**Mr ALOMES** - Not based on a market. So the market trends could change quite dramatically, as occurred in the early 2000s.

**Mr BOOTH** - With regard to that, Greg, in terms of some sort of orderly development provision of sufficient land for development or whatever, you have this demographic analysis happening at the moment. Is it sophisticated enough to be able to identify that we have a population bulge or that this is where we need to grow the population age group, that population age group does not want to live 50 miles out with a four-wheel drive, they want inner city stuff and so that then reflects in the schemes, do you think?

**Mr ALOMES** - That is the issue and that is whether we can get enough information to be able to understand where the market wants to go. Hobart has the highest proportion of single houses of all capital cities and the lowest proportion of higher-density living. All plans for capital cities say we should have urban growth boundary and there should be inner city housing but if the market does not want it or it is too expensive compared to fringe living then in fact it is going to be difficult to make that happen. So the capital city strategy will be running some scenarios on whether in the real world we can substantially increase inner city living.

**Mr BOOTH** - Because people might not want to have multistorey development, they might want to have single dwellings on a quarter-acre block?

**Mr ALOMES** - That is right. If you are providing housing that people do not want, developers will not do that. I think we have to get some demonstration projects if we can get some developers and this is where I think government has an opportunity as the owner of land; it can look at visitor accommodation mixed with residential. I think that one of our competitive advantages is that we are affordable compared to other States and notwithstanding the purpose of this review, we should be looking at affordability across all types and ranges of accommodation, not just the concept of social housing.

**Ms ARCHER** - This comes back to the inadequacies of the current schemes though, doesn't it, because the Hobart capital city scheme would not allow some developments because of density issues.

**Mr ALOMES** - Yes, that is right, and yet those inner city developments that have occurred, like Salamanca Mews, Salamanca Square, Zero Davey and 1 Collins, were all taken up fairly quickly. But visitor accommodation is taking them over so we really need to analyse that quite closely as to how we deal with visitor accommodation vis-a-vis people being able to live in the city.

**CHAIR** - Straight residential.

**Mr ALOMES** - Yes, and my view is we almost need to go back to 1804 and resettle the CBD because the CBD is lacking investment and if a Myer cannot be built then the regional retail result is the CBD has lost market share to the regional centres and those regional centres have broadened their product base with Target and BigW and so the CBD needs to be repopulated. It has a wonderful potential lifestyle for people and, as I have said, Salamanca Mews was taken up by young professionals, elderly people wanting to be close to services, and even Doone Kennedy moved in. I had a long talk to her and she said it was a fantastic place to live, apart from the pub. I think they are opportunities that we have to think about.

**CHAIR** - I was underneath her for two years and that was the other problem; she had noisy members of parliament underneath her.

**Mr ALOMES** - Yes, I did hear that as well. I still call her Lord Mayor.

*Laughter.*

**Mr BOOTH** - Are you interventionist at all in terms of trying to make sure that there is a sufficient supply of appropriate land because the prices have gone too high and therefore we need more?

**Mr ALOMES** - We are trying to be but 80 per cent of the planning is done by the councils. If you look at Clarence, for example, their scheme came in two years ago and we have had more than 50 amendments. The scheme was based largely on future residential growth being in the Tranmere corridor but the prices in that corridor are running at \$200 000 to \$250 000 for land so what happened in reality was that it was the Rokeby corridor that started to grow so we received quite a number of amendments to open up more land for residential. I asked Clarence to do a residential strategy, update the strategy, and they did that and we endorsed, and indeed there has been a number of amendments go through that enable that to happen. It is just an issue that applications keep coming up outside of their strategy area for residential. I am happy to keep saying to them that they have to keep updating their strategy and have a good reason that they now want to change the boundary again.

**CHAIR** - That is a bit of concern, two years old and so many alterations already.

**Mr ALOMES** - I think that is the weakness in preparing strategies and translating them into planning schemes and that is where we have to improve our skill base. I think that is why we have a lot of old planning schemes. It is a hard task.

**CHAIR** - It is really hard to do.

**Mr ALOMES** - I don't think it is. If we go back to my diagram, most of the planners are development assessors and that does not necessarily mean that they have top-class strategic planning skills and can actually do the writing of a planning scheme.

**Ms ARCHER** - Wouldn't a population settlement strategy be handy to the councils because you would predict these things and therefore allow it in the schemes?

**Mr ALOMES** - Absolutely. We need to track it as well. We need to be tracking because if you said to me as a committee, 'Greg, show me where the last 1 000 houses were built in Hobart or in Tasmania' and I could only do it by municipalities, I would say, 'Kingborough had this many' but you would say, 'No, I want to see it by suburb. I want to know exactly where they were', but I cannot tell you and that is a great weakness. We need to have a database that knows what type of development is occurring where, what the level of investment was.

**CHAIR** - How will we get to that?

**Mr ALOMES** - That is about us getting organised and being able to get councils or the water and sewerage corporations who will get the same data. This is where I have been working with Onstream because Onstream can access that data for us across the State very efficiently. We have developed a mechanism or platform called the Tasmanian Spatial Data Exchange, which means we can access spatial data from different organisations and create layers so that we can do strategic planning and we can also monitor and track how and where development is occurring, and then analyse why did it occur like that.

**Mr BOOTH** - Google Earth would be quite helpful for that.

**Mr ALOMES** - Indeed. This does actually interrelate with Google Earth. But we lack that history, because it is really interesting to show a community this is how we've grown in the last 30 years, now we want to project out the next 30 years. Let us say we have the same rate of growth, where will people live? I did this at Kingborough when I was the general manager.

**CHAIR** - On the question of where do people live, what are we limiting ourselves to? I, like Rebecca, represent the Lyons electorate and I was recently on a piece of coastline in Tasmania - I won't say where - but it was just a priceless bit of privately-owned coastline. This guy said to me, 'It is good farmland, this area here, and I've got a lovely headland and a few beaches and things, it is all pretty marginal stuff.' Greg, do you think this could ever be developed at any value to anybody? You think well, yes, over the next 100 years or something. If you look around the general catchment and you think this could sustain a village of 10 000 people. At what point do we actually look at the land that is publicly or privately held in Tasmania and say, 'What will there be in 100 years time?'

**Mr ALOMES** - We have done that with a little pilot project called Vision East. I assume this place you are talking about was on the east coast, was it?

**CHAIR** - Yes.

**Mr ALOMES** - That is where we really do need to have a good settlement strategy and a coastal management strategy together. So a coastal policy and settlement policy need to interrelate.

**CHAIR** - What I am talking about is, say in 20 years time a Walker Corporation comes along. They don't walk down the banks of the Derwent looking for somewhere to speculate on a development of some privately-held piece of bank. They actually look at a plan and ask, 'Where does Tasmania reckon we could actually develop?'

**Mr ALOMES** - We identified on the Vision East thing where the major settlements would be, because it is not just about the private investment it is also about the public investment in services. So it is fire services, ambulance, police, education, health, so any development of any size of 5 000 to 10 000 involves government investment. So it has to be an active player in planning that. I actually raised the example of Marchwiell, which is a beautiful property and it is now owned by David Walsh. I'm not sure of the economics of the farm, but obviously it has been a successful farm for a long time. The question I posed was what if someone came along and said, 'We want to subdivide this,' and how would we deal with it in the strategy. What would we do? The only way you can do that is you go back to what I said about a major project. You go back and do an audit, a proper investigation and a proper analysis. We should have that material prepared so that if someone wants to do that, it is all there and they know what information they have to produce and what the minimum standards are that they have to achieve.

Government has to be prepared to look at what it would want in it and how that is going to be funded, and you need to have all of that done before you have any sort of formal assessment. In fact, I would like the strategy to be discussed publicly before it goes into the formal assessment process, because that is a real possibility on the east coast, and I think it is a possibility on -

**Mr BOOTH** - So is Vision East your document?

**Mr ALOMES** - No, it was actually an agreement with all of the councils and DED co-funded it and we just helped facilitate it. It was an interesting exercise. DED are following it up because we identified a place on the Tasman Peninsula - and the council adopted this, all the councils. We got all the four councils to meet together in several workshops, and we took the planners on buses and we drove them backwards and forwards. It was fascinating for them to say, 'Gee, we deal with this issue differently there.' We actually looked at the real place. We didn't even need maps; we actually looked at where it really happened.

We identified that we then needed to have some structure plans for places like Nubeena and White Beach, because Nubeena is a classic metropolitan centre. It has three commercial zones and a big box on the edge of town. For a small community it is actually a linear and strip development, and then they've got White Beach, which we just keep getting incremental amendments proposed for and we don't have a water and sewerage strategy for it. It is already clear to me that it needs a sewerage strategy, if not a water one. There are also issues of bushfire, access and so on. DED, at our suggestion, funded some specific planning studies of Nubeena and White Beach because we identified it as a growth site, to protect Port Arthur and to stop further linear development at Murdunna and Taranna. Also Eaglehawk Neck needs a proper plan done for it.

**Mr BOOTH** - How comprehensive are they? Do you take issues such as the provision of public transport and related demand on services? We still have problems from these sorts of broadacre housing developments placed by previous government policy. They just chuck a whole lot of houses out in the country somewhere and people are marooned out there with no social infrastructure, transport et cetera. How important is that in terms of a settlement pattern? Is there an ingredient that will either allow or disallow? Are you taking into account things such as peak oil scenarios and future transport modes in terms of restricting developments in certain places?

**Mr ALOMES** - There are a lot of parameters you need to take into account but at the moment we're tending to focus on the very fundamental ones of water, environment, fire, safety and those things in relation to the community. Those other components come into the picture in terms of the regional road network, the bus networks and those things. They are things that DIER can bring to the table. As a planning authority, we are not seeking to be all powerful and try to plan all elements. All we want to do is bring together the layers: transport, public transport, and natural resource management. NRM South is the environmental protection. We want to bring all of that and put it in layered spatial representation so we can see if this is a realistic prospect to have further growth at Nubeena and White Beach. We have targeted it strategically that it's probably the best option but let us test that with some real work.

**Mr BOOTH** - Another example, I suppose, a current one would be Kingston. You obviously have experience in there. Undoubtedly it's a great place to live but there doesn't appear to me to have been a focus on making sure that people who wanted to work in Hobart could physically get into Macquarie Street when they get here. Perhaps the scale of development at Kingston should have been done at the same time as there were opportunities for work there - creating offices and workplaces so it became almost like a satellite area that within itself was able to contain its own activity.

**Mr ALOMES** - That is in fact what we did. The high school relocation was around education, not about freeing up space; the side benefit was freeing up space. It was about creating a transit or interdevelopment. It is 11 hectares and so there is an opportunity for mixed use - commercial, office, health centres and accommodation. The whole concept behind doing a master plan was to identify Kingston as a satellite, with the improvements we made to the sports centre, the ovals, the high school co-location and the performing arts centre. That created the facilities and we know that there is a cap of about 20 000-30 000 people and that can be served sufficiently by upgrading wastewater treatment, and the water is okay. The only downside with the exercise was that we couldn't squeeze a four-lane road through Channel Highway, otherwise we wouldn't have had to build the bypass. This is the problem that I think we have. We have some old plans, like the Kingston bypass plan - there is one over at Rokeby as well - and we have to be rethinking those strategies and making sure we protect the existing corridors so that we don't have to have massive infrastructure investments.

**Mr BOOTH** - That is a point. It seems that if there were work places around Kingston so that you didn't need to go into the city you wouldn't need the bypass. All that is going to do is get people to the Macquarie Street bottleneck two minutes earlier than they otherwise would have got there.

**Mr ALOMES** - It is and it is not. It is also about servicing the old existing high school site. It is called a bypass but its real function, as the analysis that we have been doing on the capital city project shows, is that the bypass will enable the balance of the area that can be developed at Kingborough. We want to keep the green spaces - I had better be careful what I say - but green spaces need to be kept with Margate, but Margate will be reasonably constrained, as will Snug. That is the extent of the sewerage system. There will not be unlimited growth in that southern direction. That is something that the council is working on but it needs to finish that work and we will pick that up in the capital city project. You could have 'park and ride' at the sports centre. We can have park and ride in various places. Setting up the public transport system and then getting it into Hobart is really interesting when you analyse the evidence. It is school travel that is the biggest issue. Granted, when there are schools holidays, mums and dads take holidays too, but there are simply no traffic problems in out-of-school periods.

Catholic education, for example, are building a new high school at Kingston. They indicated to me that 700 students travel out of Kingborough every day to schools in other parts of the metropolitan area. So if you couple that with students who choose to go to New Town High and Ogilvie, with people going the Hutchins and Fahan and Collegiate, you probably have a couple of thousand students travelling out of Kingborough every day on the Southern Outlet with mum and dad, and that leads to the traffic problem.

**Mr BOOTH** - But that in itself confirms what I am saying.

**Mr ALOMES** - It does, if the schools and the facilities are down there. That was part of the scheme with the Kingston High School. If that becomes a state-of-the-art high school, the students will not want to go out; they will want to go there. That is why the quality of education is critical for the settlement for sustainable communities. We do not want people travelling from Kingborough to Glenorchy or to the Eastern Shore. It is just generating a lot of traffic when in fact we should be getting the quality of education and the location of education as part of the settlement strategy.

**CHAIR** - Seeing we are picking your brain and given your long background in local government and in planning and now where you are -

**Mr ALOMES** - I have a feeling I am probably going to lose my job as a result of the *Hansard* today.

*Laughter.*

**Mr BOOTH** - If that were the case, of course, we are committed to look after you in that regard.

**CHAIR** - To put it into perspective, I come from a local government background but back in 1985 to 1992.

**Mr ALOMES** - I was around then.

**CHAIR** - Yes, I remember. I was the chairman of the planning unit at Launceston City Council, which in fact had the final say, basically. At the same time we were out there in Launceston looking for development, chasing down developers and we drove them nuts until they agreed to build. This goes back to the conversation we had at the start whereby planning can in fact promote development as well as regulate it. There was one particular development on the east coast where I said, 'Get after it; put this deal together.' 'We could not possibly even discuss it because we are the planning authority.' They are told, as local government elected members, that they must not speak to any developer and it seems to have neutered one of the very reasons that they are elected to local government in the first place, which is to develop the joint and get some stuff happening. How did we get to that place?

**Mr ALOMES** - When the 1993 legislation came in, the bodies that were set up at the State level essentially over time became chaired by legal people. So the tribunal had a legal person chairing it and still does. I think that is highly appropriate because at the point of a DA being appealed you are arguing about what is in the planning scheme and what the proposal is.

**CHAIR** - And you needed a Cas Pitt.

**Mr ALOMES** - That is right. Simon Cooper gave a lecture a little while ago to planners entitled 'Planning is Law'. At that point of development assessment I think that is right. However at the level of strategy, as I said, it is about values, evidence and various scenarios because development can occur in lots of different ways, so you are trying to look at all the constraints and all the opportunities.

Over time it has become regulatory and about words and the meaning of words. When I started at the RPDC I found it interesting that there would be very intense debates about the meaning of certain words. We change this word for that word when in fact what we should have been thinking about the planning outcome. Indeed in the RMPS objectives there is one statement that says those bodies that are working with the legislation should be facilitating, I think it is called, sustainable economic development. It actually says that as one of the objectives. That is why I talk about the audit for major projects because there needs to be a mechanism that enables developers to talk through issues and know what their options are in terms of how to proceed through the planning system. There are lots of ways they can proceed through the planning system other than a DA. They can actually initiate an amendment to a planning scheme; they can put an amendment with their DA with it; they can do a project of regional significance; they can do a project of State significance and they can do specified departures. So there is a whole suite of choices and quite often they are confused as to which one they should pursue. Mostly they with the DA because that is what they understand the system to be. I have had some discussions with people on the east coast who have had proposals knocked back. When I have looked at it - it goes back to the example I used at Kingborough with the recreation zone - the zone on the east coast was coastal rural. What does that mean? It is coastal and we can have grazing animals or a dairy or something but we cannot do anything else. We really need to question why that zoning is there, what is its intent and what is it about. I am fairly confident that will not be in the 25 zones that the panel finally came up with.

I think over that 15 years, because planning has focused on development assessment and appeals and those sorts of things, it has become about the drafting of planning schemes and the interpretation of planning schemes rather than about what our strategy is here and how do we see that we are going to manage population growth or change, or how are we going to manage industry or tourism. Tourism is a classic because it is a relatively new thing and the market has changed from what it was 20 years ago when people would come over and drive for 14 days and tour. They are now coming over for short breaks. It is quite a different market. We need to make sure that our planning system can deal with that. Let us have the debates about the ecotourism development sites; let us have those debates at a strategic level and resolve them at that level before people get into detailed drawings and sorting out where the clothes lines are and those things. Let us make sure that we really do deal with it strategically.

**Mr BOOTH** - Getting back to the costs of building in this State, is there anything that springs to mind, given your vast experience over the years in different jurisdictions, that could be implemented immediately by either a different application or different interpretation of some of the responsibilities or requirements that councils have in the ways they interpret them and impose regulations that could immediately defray unnecessary costs. Obviously I am not saying that people should not have to have things assessed but I am saying where there might be a bureaucratic problem rather than a real need.

**Mr ALOMES** - Truthfully, I believe that the strategy we are pursuing at the moment with trying to get regional strategies and getting interim schemes is the most effective way to do that. We do try to deal with councils and at the moment I am working with Clarence on trying to get the process right so there are not significant delays and there are not



significant process deficiencies. You do have some councils that have more issues than others and we do track that. We do try to talk to those councils. I have recently had discussions with Launceston and previously with Devonport to say that if they want to pursue these strategies, get a retail strategy in place so that they have evidence to support what they believe should happen, and in all the cases where the councils have done that it has made it very much easier for the independent delegates to make a decision. That occurred at Brighton with the transport hub. There is a range of areas where we have taken direct action to ensure that they are getting their strategies prepared for immediate things but in terms of the reform of planning we have to do it by getting new schemes in place on a common template and then keep building on that and at the same time trying to educate the community, the developers and the planners and the councils as to the direction this is going in because this is not development at all costs, this is about sustainability and getting good systems and processes but those systems are efficient and they give you up-front, red light flashing, orange light flashing red, orange, orange light flashing green or green and we need to be giving that advice so the developer can go and cost what information he has to get. He knows what the time frames are. He or she can make a decision based on commercial risk because they can quantify the risk. The more we can get that working up-front before they get into the DA stage the better.

**Mr BOOTH** - Is the resourcing an impediment to that then at council level? You mentioned yourself that the commission would like more resources and councils obviously might be in a similar situation. If they were resourced adequately, would this process occur a lot quicker and, if so, how quickly?

**Mr ALOMES** - My personal view is that we should have a very lean and mean regional interface between government and councils on planning and that is a governance model that I am working up at the moment as part of this regional initiative. As I said, I would like to have a TPC manager and perhaps one support staff in each region so that they can keep the planners working together because they are working together now and that is a huge achievement. It has not been easy and we keep working with those planners on a regional level and then they go back knowing full well what is happening at a State and regional level and they then can deal with the local things and we can bring the local things up if they are problem that need to be fixed. I am very careful in saying that if we create a regional - I would prefer to call it a regional interface - we do need to facilitate State agencies particularly and government and the water and sewerage corporations so DIER, water and sewerage, Education and Health. We do need to have that interface with local government on strategic planning at a regional level. If we do not have that interface, we just cannot get the alignment that we need to get planning schemes to be effective tools. If you cannot get that, you end up with the global financial stimulus money where they just overrode the planning system to get it into place. One can understand why they did that but if we did that every time, I think there would be a build-up in the community and a backlash and so we have to have some decent processes.

**Mr BOOTH** - In many case I don't think they needed to override the planning scheme, and I made that point during the debate, that there were 42-day assessments for a lot of the things they should have put in appropriate areas rather than becoming de facto planners.

**Mr ALOMES** - At the time we were saying working with the planning system was a great opportunity to show people how you could do this differently. It was a bit of an opportunity lost because you do have to show people examples and they say, 'This is not

as risky', or 'I'm not going to lose my power'. You have to work cooperatively with local government.

**CHAIR** - There was an element of political heat about it, though, that drove all that out the window.

**Mr ALOMES** - Yes. I didn't even have the guts to raise it.

**CHAIR** - I was going to say you would be wiser than that, Mr Alomes. On the question of things appearing to people from the outside to be a bit odd from jurisdiction to jurisdiction, would you venture an opinion on the question that a developer put to me regarding the fact that he had had problems with applying to build on the river here in Hobart. He had to be considerably more metres higher than he had planned to be because of global warming. A private museum was opened recently that is essentially built on the water and the owner boasted in his material that he may have to shut it down in 10 or 12 years or whatever. How does that look from the outside and how could that occur?

**Mr ALOMES** - We are dealing with it in a very similar way in the sense that councils are tuning into the issue of sea-level rise, shoreline vulnerability and storm surge. What is happening is that councils have been submitting amendments that are different, and possibly appropriately so because they have different planning schemes, but it highlights that this is something where the coastal policy should set an overall framework and there should be a statewide code in all planning schemes that deal with sea-level rise, but what we need is the evidence to support it. We cobbled together money from government, ourselves and Onstream and got UTas to do some work so we now know where the hot spots are and we have provided that to the regional projects so that they can start to work on identifying what provisions they would put in place. We want as high a degree of consistency as possible but recognise that different parts of the coast need to be dealt with differently.

**Ms ARCHER** - Are we likely to see an update of the draft State coastal policy? Currently I think it's 2008.

**Mr ALOMES** - It is. It was started in 2004, went to DPAC in 2006 and came to us in 2008.

**Mr BOOTH** - It took two years to get through DPAC?

**Mr ALOMES** - Yes.

**Ms ARCHER** - You've had submissions but not public hearings?

**Mr ALOMES** - That's correct. The panel has decided not to have public hearings and that is at its final phase at the moment.

**Ms ARCHER** - So the regional project groups are looking at things and hopefully their information will also feed into the State Coastal Policy, or not? What is the hold-up with it?

**Mr ALOMES** - Because it's being assessed by a panel and I'm not on the panel and I'm not authorised to speak, I would rather not comment. If I can speak about process, there is a communication going to the Premier in relation to it.

**CHAIR** - We have had a very frank exchange and it's been very useful to us as a committee because we have had a lot of evidence. We have had councils talking about PD1s and PD4s and we could have individually made inquiries but it seemed smart to bring you in and I think that was the right call. Is there anything you would like to add before we finish?

**Mr FISCHER** - I have a matter of clarification. A member asked a question in relation to a number of schemes that will exist after the interim planning schemes and I think quoted 36 or thereabouts. What we are looking at as part of the interim planning scheme is one scheme per council. Because the Sullivans Cove Waterfront Authority - SCWA - is still a planning authority we are looking at 30, but depending on what happens with the waterfront authority we'll more than likely come back down to 29. So that would be 29 schemes. Chair, I would just like to table a document that COAG has just agreed to release and it is through the Local Government and Planning Minister's Council. It is the first national report on Development Assessment Performance. Whilst I won't go into the details, Tasmania stacks up very well in relation to that. As with these committees, you would have heard a lot of doom and gloom in relation to how bad the system is. If you just go to measure 2, which is: how long do applications typically take to decide? In Tasmania the average is 28 days. Under the act we have the 42 days, but on average it is 28 days.

**CHAIR** - Can I just come in there with what both the Property Council and HIA would interject at this point?

**Mr FISCHER** - I know exactly what they would say.

**CHAIR** - They would say that is a stop-go process. It was stopped three times in that 28 days and had months in between. We don't know whether that is true and we are going to find that out.

**Mr FISCHER** - This is not suggesting that there are not improvements that can be made to the system as we discussed today. But just to give you an example based on these figures for 2008-09: in Queensland, the average was 185 days; New South Wales, 71; Victoria, 123; Western Australia, 100.6; ACT, 36; and Northern Territory, 77. There wasn't an average number of days given for South Australia. So in 2008-09, based on these figures, and notwithstanding the arguments from HIA and others, Tasmania stacked up pretty well in terms of that national approach. I will table this report for you.

**CHAIR** - Thanks for that. It is great.

**Mr FISCHER** - The reason it hasn't come out before is that it took a long time for COAG to actually sign off on its public release, but that is now available.

**Mr BOOTH** - Are you able to get any verification whether that statistic is a stop-go thing and just relates to the actual days of assessment and not when the clock stopped?

**Mr FISCHER** - There is an element of clock-stop in it.

**Mr BOOTH** - But are you able to quantify that?

**Mr FISCHER** - No, we're not at this present time, that data is not available.

**Mr BOOTH** - That is all right, we can do it another way, but I just thought you might have it.

**Mr FISCHER** - There is a measure that looks at stop clock and also there is a measure about how long does it take for approvals to go through and whether that meets the statutory time limit. But we do not have that data - and this is the point that Greg was making in terms of not understanding exactly what is going on. We will have it for 2010-11, but we didn't have it for 2008-09 and we won't have it for 2009-10, but we will have it for 2010-11. So that sort of information will be beneficial to all of us and will inform us better than just an average figure. We are open to criticism from the HIA and others when we just quote a figure like that without that other work, but that is coming.

**Mr BOOTH** - Of course the clock stops for various reasons too.

**Mr FISCHER** - Absolutely.

**Mr BOOTH** - It is not a judgment necessarily on the Planning Authority that the clock stopped in all cases.

**Mr FISCHER** - And dare I suggest that sometimes it is developers not putting in the right amount of information.

**CHAIR** - Indeed, that would be the interjection coming back the other way. That has been terrific and I thank you for your professional assistance with that to this committee and if there are no further questions then we will thank you, and move on to the next witness.

**THE WITNESSES WITHDREW**

**Mr PHIL DWYER**, WAS CALLED AND EXAMINED BY TELEPHONE LINK-UP.

**CHAIR** - It is Rene Hidding, I am the Chairman of the committee that is looking forward to having you speak to your submission that you made.

**Mr DWYER** - Yes, Mr Hidding, thank you.

**CHAIR** - Thank you for your time this morning. Phil, as this is a phone interview we will not be swearing you in so we will go straight into it. Do you want to speak to your submission that you made before we ask you some questions?

**Mr DWYER** - I might just have a few words to say if that is okay and then we will just have some questions and kick them around a little bit, might be the appropriate way to go.

**CHAIR** - Yes, thank you.

**Mr DWYER** - Thank you for the opportunity anyway to participate in this. There is a point I would like to make and that is take the opportunity to congratulate the Tasmanian Government on its decision a little over two years ago to remove the indemnity warranty insurance regime because that I think has a bearing on what we are talking about today. But we played a significant role in that decision as we saw that regime as a barrier to entry and affordability and of no value for its intended purpose and the subsequent ABS figures have supported that view and vindicated the Government's decision.

But I noticed in evidence given to this inquiry there was a view presented that the availability of land was an issue in regard to prices. That was also refuted by someone else giving evidence - it is a bit different to mainland States - and we would agree with that principle. However, it should be known that the land availability decision presented by the HIA in the mainland States is at odds with the view of the Property Council, particularly here in Victoria, and it is very relevant to point out that the HIA view in regard to this area only supports the top 20 builders in the industry or the top 100 nationally, whatever way you like to look at it. While this sector of the building industry is important to the national economy, it is equally the most heavily subsidised within the industry with the first homeowner grant and continuous package grants and more land subsidy would not balance the scales. But we believe the focus should centre on the vast majority of builders to develop themselves or build for the developers whose entrepreneurial skills will enhance the economy and the quality of buildings in Tasmania and ensure we do not place unnecessary impediment to carriers that add costs that may stifle projects. This view should not be seen as open slather on all development as some will always stretch the boundaries and sensibilities, but governments must embrace and encourage sensible development to be delivered in a timely manner as it is the financial holding costs that can render a proposed project unviable.

We have, particularly over the last decade or so, introduced various regimes with checks and measures designed to enhance and improve all areas being canvassed by this inquiry, but there is always a distinct reluctance by the bureaucracy never to dismantle a regime or measure that they have put in place, preferring to fiddle with proposed enhancements when the regime may have been fundamentally flawed from the outset. A shining example of this decision is the indemnity insurance regime in the mainland States now

and there was initially a reluctance for its removal in Tasmania. However, in retrospect that decision has been endorsed and deemed more than appropriate. What we are saying is that if we have made mistakes in the past - and we all make mistakes because none of us is infallible - we need to address those mistakes and maybe sometimes remove something that may be an impediment to what this inquiry is all about. On that note I will leave it to you to hit me with some questions and we will have a further discussion about it.

**CHAIR** - Just before we move to questions, could I just point out that it is normal practice where we have a phone conversation with people who have made a submission not to swear them in and so they do not have parliamentary privilege. I just need to warn you that that is the case. You sound intelligent and a person of moderate language so I do not think it is going to be a problem.

**Mr DWYER** - I do not think so.

**Mr BOOTH** - Phil, I am interested in anything that you have to say with regard to the regulatory regime - and you made mention of the fact in your submission about the propensity of trade associations to use these as a revenue stream. Some of the accreditation courses, CPD, white cards and all those sorts of things, are also a barrier for entry to other players who may fall through the cracks in terms of accreditation. Is there anything that you can identify that you can see that does present an artificial barrier to entry or a barrier to remaining in the industry in the later years of a builder's life due to costs just getting to the point of where they cannot maintain their business anymore?

**Mr DWYER** - In terms of the white card, I did notice the evidence there and I was unable to glean any tangible benefit for its existence. Again, on the evidence that was given, it obviously presents an unnecessary barrier and I wonder whether its complete removal should be considered because it only seems to be benefiting those that are receiving the funding for it. It is those types of things that do become very much a barrier to operate within the industry. Going further from the financial barriers, there are also time delay barriers because, whether we like it or not, in the financial circumstances for developing a project or considering a project, the time element comes into it substantially because money is expensive to borrow and that applies to developers or anyone else. It is very much a consideration that has to be taken into account because, whether we like it or not, everything comes down to the dollar.

**Mr BOOTH** - You have mentioned the white card, for example, as being something that does not appear to have any benefit other than revenue streams to the people who are regulating it, are there other matters in this area as well? I am thinking particularly of CPD requirements to get an arbitrary set amount of compulsory professional development points to remain accredited and the actual reality of attending those course in terms of the loss of business time and the cost to maintain accreditation and whether there is any real benefit from some of those courses.

**Mr DWYER** - No, I do not believe that there are benefits. Here in Victoria CPD is not compulsory. It is in New South Wales and it is in Tasmania. It is seen by most, and probably all I would dare say, as a revenue stream for trade associations only. Prior to CPD being made compulsory, the trade associations and also the bigger suppliers provided the information that we are talking about - from a supplier's point of view they

presented their products and so on and so forth. Now they present them through a trade association-organised evening where they charge money for it. I'm not quite sure how we have managed to turn it around to that extent. Let us look at the situation in Queensland for argument's sake - and whether we like it or not we can take a leaf out of their books because they have a long proven track record up in that State. Last year alone the QBSA - and I am not saying Tasmania should have one of these - but nothing alters the fact that at no cost to registered builders they conducted 96 trade nights throughout the State which incorporated financial management and business, and so on and so forth. That is 96 throughout the State, so every builder had the opportunity to go along to an evening and be involved in all of the types of things that we are talking about through this compulsory CPD at no cost to the registered builder.

**Mr BOOTH** - That is very interesting. What comment would you make about a system where were you to maintain an accredited builder regime, the only way that a defective building could actually get through the system would be the practitioner, whoever they are, not building to the BCA, or getting it deemed to comply, but more importantly that the work was improperly inspected by a surveyor or a building inspector? Do you think there is an argument, therefore, that the accreditation of a builder really ought to be related to the inspection of the compliance and standard of their work at the point of completion rather than some sort of arbitrary notion that you have so many brownie points for attending so many trade association nights and you have paid trade association membership, so therefore ipso facto you are a builder?

**Mr DWYER** - Absolutely. That is one of the things that is very much wrong with the system in most of the States and always there will be a certain amount that fall through the cracks and do the wrong thing. It doesn't matter what profession we would like to refer to there will always be some who do the wrong thing. What we have to look at is the majority and deal with that minority that might do the wrong thing. I believe that proper building surveyors should have more ability to be involved in the building processes, and it may be that there should be more inspections on projects without creating more red tape. In Tasmania the local council have to endorse all building permits and so on, whereas here in Victoria I can go to a building surveyor and get my permit from that building surveyor who then advises the local council as to who has got a permit and who hasn't. It works reasonably well since they opened it up and so on. I think from a timely point of view - and time is money - that most certainly when introduced here we took the permit delay time from something like an average of six months to about 14 days when it was first introduced and that was a huge boon to the industry.

However, councils have now brought in various overlays and we have councils now where it is almost a minefield to get a permit, even though we have a building code or a planning code, we now have all these overlays of different descriptions and so on that councils have brought in and it keeps them very much in the loop, and that has become a problem. We seem to be adding red tape all the time, but not adding benefit at the end of the day and in fact adding detriment at the end of the day. I think that is likely what is happening in Tasmania as well.

**CHAIR** - Phil, I notice in your submission that you do make a case on behalf of a member of yours or an associate about this notion that Victoria does not actually have these permit authorities. We do have the slightly weird situation where in Launceston the council is

involved in the commercial provision of these building surveyor services and that same person sits in judgment of the temporary permit delivered by the private building surveyor and often sends it back for more work. Obviously that leads to a degree of tension, some of which we have experienced. You were saying that in Victoria there are no permit authorities separately.

**Mr DWYER** - No permit authorities. The individual building surveyor issues the permit. I can have a set of plans and fill out an application, which is a standard application, and take it straight to a building surveyor of my choice, or it might be my client's choice to go to a certain building surveyor. I can say, 'I want a permit' - they are all much the same price; the same levies are imposed by the statutory authority - and I can get that permit in a very timely manner. I can have a checklist of requirements back within three or four days.

**CHAIR** - These overlays you're talking about, Phil, we have the same situation here. We are being told that the Launceston City Council, for instance, has a huge number of overlays compared to what they used to have. Can your private building surveyors in Victoria deal with those overlays, too?

**Mr DWYER** - No, he has to abide by those overlays. He will deal with them and then provide us with a checklist as the builder or the owner and it will have to meet those requirements he has requested.

**CHAIR** - You still don't have to interact with the council in order to comply with the overlays?

**Mr DWYER** - Correct.

**CHAIR** - That's all dealt with in the private sector?

**Mr DWYER** - Yes. The same set of circumstances that appears to be delaying things and causing a lot of angst for people was taking place in Queensland where Premier Beattie some six years ago decided, because of all of this bureaucratic red tape from councils and so on that was in his opinion delaying the industry, they would have a central planning agency that set the criteria for the State. If a council decided it had local, unusual circumstances that were different from the broad concept of the State, it could apply to the central agency for an addition to the criteria that were set by the central agency. In Queensland that has worked exceptionally well every since. They have a planning code for the whole of the State and if there is a local issue then that can be dealt with by the council applying to the central planning agency. According to the Queensland industry, that was an enormous boon to the industry and something that southern States should look at. If you talk to any of the big builders who operate in all States, they will say that Queensland is the dream State for all these matters.

**Mr BOOTH** - Can I get back to the barriers to entry for people to be able to build, particularly as they exit the industry. Some people might want to work for three months of the year if they are retired and still maintain their capacity to build a room for their daughter or whatever. What do you think is the trigger point where the costs become unbearable and a barrier to remaining in the trade and therefore creating a skills shortage?



**Mr DWYER** - If we start at the lowest common denominator, the necessity to be a part of a trade association for the type of people that you're talking about, they don't need the benefits of a trade association. Sometimes one might question what those benefits might be, but to some builders a trade association provides contracts and that type of thing and so on that can be very beneficial to them but then again they can be purchased elsewhere. The cost of a trade association to meet the CPD requirements and so on a lot of people do not find acceptable. CPD is an impost. You don't have the indemnity insurance now so a huge cost has been removed because of that. The casual builder you are referring to, there are a lot of them, particularly now because we have an ageing building population. Warranty insurance deskilled our industry enormously and still continues to do so today over here. In Tasmania we have got rid of that now and I think there are a lot more people who would be prepared and would like it and would enjoy working, as you say, for three months of the year. However, the static costs of maintaining registration, CPD and so on, those issues will keep those people out because they just say it is not worth it. If it was just a matter of getting a building permit and going out and doing some building and so on and doing it sensibly and within the code et cetera, then I think a lot more people would actually do that whereas they find it just too hard to be bothered with it.

**Mr BOOTH** - They are driven out of the trade effectively.

**Mr DWYER** - Driven out of the trade effectively. It is very, very unfortunate because those people, even if they were not doing huge amounts of work, could be skilling our industry by putting on an apprentice and so on if we made it more sensible and more able to stay in the trade. The indemnity insurance for a number of years stopped the influx or the inflow of apprentices because annual tenure in the profession is just ludicrous, but that is what the indemnity insurance did. They only gave the builders annual tenure so we have deskilled our industry enormously over the period of that time that it existed in Tasmania. Most builders were not prepared to put on an apprentice and commit to four years when they only had annual tenure in their industry.

**CHAIR** - I am just playing devil's advocate here. Let us say a formerly active builder has retired. He is about 60, has travelled around and done the grey nomad thing for a couple of years, has come back and has run out of money. He is fit and healthy. He can in fact strap on his nail bag and go and work for registered builders, can't he?

**Mr DWYER** - Yes, he can.

**CHAIR** - As a jobber or as a contractor he does not need separate registration, does he, in his own right?

**Mr DWYER** - No, he doesn't.

**CHAIR** - In the case that Kim Booth is putting, in order to set himself back up as Smith's Constructions the costs and the restart provisions are so onerous that it is completely out of the question. Therefore it is left to the young bulls in the industry and the old bulls are basically kicked right out of the paddock.

**Mr DWYER** - Yes. The only thing is that a builder that has worked in his own right as a builder I don't think, under any circumstances, would go and work for another builder

and be expected to just work on an hourly rate and/or on a contract price doing a frame or something of that nature. A builder that has worked in the industry would find that somewhat offensive when he is capable of doing a lot more and contributing a lot more. That is just one aspect of the overall building industry but I do take on board what Kim has to say because I hear it all the time. There are quite a lot of people that would like the ability to do that but find it restrictive because of the circumstances that now exist.

**Mr BOOTH** - Phil, how long have you been in the building trade?

**Mr DWYER** - About 35 years.

**Mr BOOTH** - You were obviously in the trade at some point in time when you didn't have to have accreditation, CPD and all those things.

**Mr DWYER** - Yes.

**Mr BOOTH** - Has something changed in the way you approach building since you were required to carry a card saying you are an accredited builder? Have you driven the nails in deeper, have you put in more bracing? Has anything occurred as a result of that card or is it simply that the regulations and requirements have changed and they would have been fulfilled anyway as a builder without all the paraphernalia and the sets of stripes and epaulettes?

**Mr DWYER** - Personally, before accreditation came along, I think we had a far better building industry. We had a building industry with more integrity. We now have a building industry where we have allowed a lot of people in who probably shouldn't be in, through short courses and so on. In terms of all builders, in terms of ourselves still building in the industry, all we have done is create a building that has not changed. We still build the same buildings under the same principles as we did 30 or 40 years ago; nothing has changed. There have been refinements but most certainly nothing has changed to the broad principles of building, except that probably 25 or 30 per cent of my time is now taken up in an office meeting the requirements. That is continual and ongoing, whether it be on the day-to-day running of the project or the statutory requirements that have been imposed on us. We haven't done any favours for our building industry; unfortunately we have gone off the rails completely from that perspective.

**Mr BOOTH** - In terms of that 25 per cent roughly of your time that you spend now in the office complying with regulations and so forth, obviously some of those things would be necessary, I presume you would say? How much of that time do you think is just worthless red tape and over-regulation that doesn't deliver a cheaper or better house to the customer?

**Mr DWYER** - I would say probably 15 per cent of it. I would say that 10 per cent of it is needed, realistic and tangible, which would produce a good business. There is an enormous amount of it now where we are covering each other's backside all the time. You might have a project that you are building so you have the engineer's component and the draftsman or architect component. The engineer has contributed another \$40 000 to the cost because 'I don't want anything to fail. I'm not going to have anyone attack me'. We are continually trying to get sensibility into our building. We might have

components in it where an enormous amount of money is wasted and that is an on-cost that goes onto the consumer, so that directly affects the cost of housing. An astute builder will say, 'I've been building for 30 years and I know that this building doesn't require that extent that has been demanded by an engineer'. You go back to that engineer and waste all of his time and say, 'I want you to relook at this, this doesn't look right'. I can cite precise examples where tens of thousands of dollars have been saved by going through that process. We have an enormous ability and through the red tape and the fear of being attacked and not meeting compliance, we go to extremes. There is an enormous amount of that happening right throughout the industry and an enormous level of time is wasted in trying to draw it back and get sensibility into it. I am only citing one example, but it is a very relevant example at the beginning of a building project where it can get out of control.

**Mr BOOTH** - It is something that I have experienced myself. Ten or 12 years ago people were offering project homes for \$5 000 a square. They were fine, they met the codes and all that stuff, but they weren't the most expensive house on the block, so it is the bottom end of the pricing scale. But an identical house seems to be double that price now.

**Mr DWYER** - Housing has more than doubled in the last 10 years. There is another example that took place just recently with a project that we built in East St Kilda. There was a Telstra pit in the footpath that had to be moved 1.5 metres for a driveway to go into this property. These agencies charged us \$22 000 to move this pit. You know what a Telstra pit looks like. It had to be moved 1.5 metres, so it took two men two days to dig it out, move it, re-bitumen it and so on, then along comes a technician for one day. There were three man-days. Materials were next to nothing and that is \$22 000. They are areas where we are having a lot of problems as well. But we have no alternative. We have to accept that price because there is no competition and there is no-one else to go to.

**Ms ARCHER** - Hence the reason it is \$22 000, I suspect.

**Mr BOOTH** - Basically you have no alternative, just price gouging by the utility owner.

**Mr DWYER** - Correct. And \$22 000 is an enormous amount of money for that limited amount of work for three people, so we are talking five man-days altogether.

**Mr BOOTH** - Not bad if you can get it.

**CHAIR** - Think of the administrative costs.

**Mr DWYER** - Yes, that's true. There are areas that we are having a lot of problems with and it is not confined to just Tasmania or Victoria or New South Wales, it is across the board. We have for some reason gone off the rails in sensibility from that point of view and it is very, very disappointing because the building industry can be a very good industry. I think that we can do a lot better if we take a better approach towards it.

**Mr BOOTH** - How much do you think that this sort of Chicken Little syndrome that has developed there with over-specification has driven the cost of building up? I can recall at one stage a slab for a footpath only had to be 3 inches thick, but nowadays if you build a house with a slab it has to be a 5-inch slab with 32 MPA concrete and some

ridiculously small slump et cetera, and people go there and sit on a chair and drink a cup of tea.

**Mr DWYER** - That is right.

**Mr BOOTH** - You could park a Sherman tank on most of these things without cracking them. Do you think that that over-specification is a major factor in driving costs up?

**Mr DWYER** - Yes, I do. But we are not experiencing it in every area with the Building Code, the frame et cetera. We are still much the same as we were years ago. Yes, we use more lightweight types of things and we take a different approach to it with trusses and wall frames and so on, but the basic principle remains the same, whereas the engineering area can so easily get out of control. The argument keeps coming back from the people who work in those areas, 'We need to protect ourselves so we would rather go over than be on what the code might require'. That does become a problem.

**Mr BOOTH** - Do you think this imposition of an engineered solution to a conventional cottage has just got out of hand? Is it because the *Titanic* was designed by an engineer?

**Mr DWYER** - I think it has got out of hand because widespread there isn't a builder who is not complaining about this aspect and I don't think there is any builder who is not questioning what he is first given from the engineer, saying 'That is ridiculous; I cannot afford that'. It is putting pressure on. This builder may already have quoted this building for someone and all of a sudden he finds the component that he has allowed has expanded by 45-50 per cent. All of a sudden profitability is impacted upon and sensibility is impacted upon as well. He goes to the engineer and argues the case that he has gone overboard and so on or has made a mistake so can you look at it. Then everyone gets edgy about it and it delays the project and creates a set of circumstances that impacts all the way up the line to housing affordability at the end of the day.

**Mr BOOTH** - Do you think they should remove the imposition of the requirement for an engineer and a registered draftsman and all of the nonsense that you have to go through with regard to certification from the basic provision of housing for people, such that you let it go back to the Building Code of Australia? It is a prescriptive document, so you get a deemed-to-comply from someone like a registered engineer. It was originally designed so that a builder, owner-builder or anyone could actually assess the soil compaction and soil type, design footings to prescribed sizes, depth-to-span ratios for beams and so forth. Builders ought to be able to go back with a BCA in one hand, design and build the home, present it for inspection to the inspector or building surveyor and they then certify its compliance or otherwise with BCA. If it does not then they have a rectification order and they cannot get a completion certificate for the house or an occupancy certificate unless it complies with the code. That would be a better way of regulating it rather than requiring engineers to design everything and accept responsibility for it.

**Mr DWYER** - I think it would be a far better way. For many years we all worked under the building code; the span tables et cetera were all laid out. We were able as a builder to decide we need a 250x50 or whatever the case may be. The span tables would give that to us and we could go ahead and build and no-one questioned it and no houses fell down. Now we have the situation where we have engineers who have to sign off on everything.

I do not believe under basic building that we need that. I do not see any benefit and I cannot find any benefit delivered anywhere that says that we need that for basic housing.

**Ms WHITE** - You mentioned the QBSA offer CPD for free. How is that actually funded?

**Mr DWYER** - Builders fund that through their registration. That is completely funded and it is a service that is offered free as part of your accreditation. Builders in Queensland pay a little bit more for accreditation but they get so much more in services. The QBSA is a very holistic regime. Everything is under one roof. It is a government-run monopoly but it works and it has been working for decades. It provides first-resort warranty insurance, which is reasonably expensive but even less than what it is in Victoria and New South Wales now that does not provide any benefit. The QBSA has run very efficiently and very well for a long time and I think that is why, when they turned around and changed to a central planning agency, it also worked in tandem with the QBSA and the way it operated. So it seemed to work very well. In every aspect, permits and so on are delivered much quicker in Queensland, whereas we have councils here in Victoria and in Tasmania that will put a stop on permits. You get this illusion, 'No, it's only taken us 30 days to deliver the permit', but it has been going on for nine months because they have put stops on it on the basis that the owner did not provide us with this or that or something so the delivery of the permit has a stop on it. We don't get factual information and that to a lot of people is very annoying because councils will defend themselves and say, 'No, that permit has only been ongoing for 25 days or 30 days', whereas it might have been a number of months. We are finding here in Victoria with the council overlays and everything else and all the decisions that they make around a town planning permit that we are waiting up to two years to get a town planning permit through to be able to issue a building permit.

**Mr BOOTH** - For a house?

**Mr DWYER** - It would need to be a reasonable size house for that, not just your ordinary run-of-the-mill house. Often there is up to two years delay for a town planning permit to enable a building permit to be issued.

**Mr BOOTH** - You mentioned you spend 25 per cent of your time in the office and I think you said that 10 per cent of that is probably necessary and 15 per cent is due to over-regulation or whatever. How many projects would you be working on rather than swinging a hammer? How many projects would you be administering?

**Mr DWYER** - It depends on the type of builder. We build reasonably significant projects that might be anywhere between \$2 million and \$4 million so we would only have two or three of those on the go at the maximum. At the moment we just have two projects: one at \$4 million and another one at a bit over \$2 million.

**Mr BOOTH** - I am trying to get some handle on the relative imposition of cost on the projects. If it was 15 per cent of your time wasted on 50 different projects perhaps it would not matter so much because you are one person out of a lot of workers.

**Mr DWYER** - Yes. Everyone is facing the same situation; the cost of housing must go up to deal with the bureaucracy of building that we now have. Where we used to just build and just have five stages of building and so on now we have bills of quantities and

percentages in terms of progress payments and so on. There is nothing wrong with that but we could simplify it and at the end of the day produce a better product in a more timely manner with a better delivery to the consumer if we took a different approach to it.

**Mr BOOTH** - I understand in Victoria you operate under security-of-payments legislation?

**Mr DWYER** - No, we don't; only the commercial sector.

**Mr BOOTH** - With regard to building dispute resolution, you are aware of the process down here where we have this terribly expensive mediation and arbitration and all that sort of thing. Can you give us a concise rundown of where you think building costs are driven up because the builder sometimes will simply regard the final payment as a bonus because of the cost of going through arbitration and so forth later on? What would be a better system?

**Mr DWYER** - Certainly the system you have in Tasmania is a terrible system for the building industry. Arbitration is just not a means of resolving disputes and so on. Where we talk about last payment, generally last payment on a project is the builder's entire profit for the project, so if we have a client that believes that the builder hasn't delivered or he decides that he has a financial advantage by doing this and finds something wrong, because we have good builders, bad builders, and we have the same with clients, some of them are good, some of them are bad, we can create a situation that might be deemed quite unfair, but we don't have a means of resolving that situation.

If we have the same problem in Victoria, we go straight into VCAT, the tribunal here in Victoria. That is what the warranty insurance does for us here in Victoria and New South Wales. There is a lot of controversy right at the moment over that issue because we are putting more than 1 000 people a year into the tribunal here in Victoria alone. According to Consumer Affairs Victoria, in 2008 53 per cent of all the consumer detriment in Victoria was attributed to the building industry. Therefore we go into VCAT 1 000 a year and we don't get any satisfactory resolution for either party at the average cost of about \$100 000 for each party who goes through the VCAT process, and that takes five years.

**Mr BOOTH** - It sounds like a lawyer's picnic.

**Mr DWYER** - It is. Therefore the cost to the industry is just enormous and no-one is satisfied with the outcome. In the Queensland system if there is a dispute either the builder or the consumer can make contact with the authority, being the BSA, and an adjudicator will come out and say, 'No, builder, you are at fault. Here is a direction, here is an order, fix it. You've got *x* days to do it,' and it is the same thing with the consumer. If either of you has a problem with that determination, you can appeal it at a cost. That works very well in Queensland and we believe that an adjudication of that matter where one person makes a finding decision is of benefit to the building industry as a whole.

**Mr BOOTH** - Could you give an estimate of the costs that are added across the board to building because of the poor dispute resolution processes and final payment problems and so forth?

**Mr DWYER** - Yes. It would be best if I provided you with two reports from Consumer Affairs Victoria, one in 2006, the second one in 2008, that just briefly tell you the circumstances surrounding it. They were quite comprehensive reports. They are public documents so I can provide them to you. The 2006 document stated that out of the consumer detriment and complaints in Victoria in 2006, 26 per cent of detriment was contributed by the building industry. I won't quote the figures because my memory is not serving me there.

**CHAIR** - We look forward to getting them from you Phil, that would be great. Thank you for that.

**Mr DWYER** - The 2008 one I do know determines that the cost is \$1.6 billion a year here in Victoria.

**Mr BOOTH** - Wow!

**Mr DWYER** - In effect dispute and resolution is putting that sort of cost onto the building industry. It is enormous.

**Mr BOOTH** - Phil, are there any other points that you would like to make quickly?

**Mr DWYER** - I just want to thank you for the opportunity for this discussion regarding these issues. It is a very important area. I will get those two CAV reports to you because they are very relevant to what you are talking about and I think it will give you a lot of comfort in giving you some accuracy. Thank you very much for this opportunity, it was nice to speak to you all and good luck.

**CHAIR** - Thank you, Phil.

**DISCUSSION CONCLUDED.**

**Mr CHRIS POTTER** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Hidding) - Thanks, Chris. Before you begin giving your evidence, I would like to ask whether you received and read the guide that was sent to about appearing before committees?

**Mr POTTER** - I did, yes.

**CHAIR** - Thank you very much for responding to a request to appear before us.

**Mr POTTER** - I have been involved in the engineering side of the housing industry and the land development industry for some 30 years now and probably the most important thing with regard to increasing costs is delays to programs. Once a developer comes to us, either a house builder or a land developer, they have found the money to do their project so all they want to do is spend it, get on and do their project. Delays that are put in our way to achieving that create a great deal of frustration, and of course time is cost. So those delays are very important.

I qualified in 1978 in engineering. I moved into local government where I worked for eight years through Hobart City, Glenorchy and Clarence in various stages of engineering, both inside design and outside supervision of construction. From there I moved into private enterprise and worked in a large practice for 10 or 12 years and then started off again on my own and have been working on my own in a very small practice ever since. We specialise in the housing part of the market, land development, waste water analysis and design, but generally in the small housing end of the market.

**CHAIR** - In Launceston it would appear we have a slightly different situation from down south in that a number of the councils up there, for one reason or another, following the Building Act 2000, decided to stay in the commercial provision of building surveyor services, which means there is a competitive environment between local government and the private providers in that area. In some cases that is a reasonably relaxed situation but that has only come about after one of the private surveyors went to the Government Prices Oversight Commission to make the councils, if they are going to be commercial, be separately commercial and not mix up the permit authority situation. In the Launceston City Council, for instance, a building surveyor competes with his own city council for the work. Once having done so, the people whom he has competed with sit in judgment of his work as the permit authority. That of itself would be a recipe for some degree of tension at least. What is your understanding of what happens down here and the operation of these permit authorities as such?

**Mr POTTER** - The councils have gone away from offering building surveying services in general, although Kingborough still offer the service through a consultant. I think New Norfolk, whilst they are still doing that, are tending to go away and become a purely privatised building surveying system, so they are operating as a permit authority only. We have tended to go with the private sector, mainly because they do not work from nine until five. I can get on the phone, as I know all of the building surveyors, and talk to them and say, 'This one is urgent. I have a client who needs to get this done. Can you help us out?', whereas we did find with the councils that you went on the list and when



your name came to the top you were looked after. For that reason we have tended to go with the private people. One of the frustrating things that we do find, even with the permit authority, is that we are required to get a building permit once we have gone through the building surveying process and we are also required to get a plumbing permit. When this system was introduced I understand that the councils were given the option of how long they required to issue a building permit. The building side of the council said that seven days is fine. The plumbing side of the council said that 14 days is what they require. Because of the way the act works we can have a plumbing permit without a building permit but we cannot have a building permit without a plumbing permit. The councils are now saying it will take them 14 days to issue a plumbing permit and then they will go another seven days to issue a building permit, so the seven-day process has now become 21 days because they hooked the two together. On a couple of occasions we have recommended to our clients to go and ask for a plumbing permit first, which starts the 14-day clock running, and then go back in on the seventh day and ask for a building permit and say at the counter, 'I'll see you next week'.

**CHAIR** - In Victoria, when a building surveyor certifies a job, it is certified. There is no permit authority required; he is the permit authority. That is attractive to us from the point of view of taking out a link. What about these plumbing permits? Why do they have to be council-based? Is there a case for a more streamlined, more efficient methodology of plumbing permits?

**Mr POTTER** - Indeed. If we look at an electrician, we do not have an electrical permit. The job goes to an electrician, he goes and does his job according to the codes and recommendations and standards. He certifies that it is right and we all get on with our life.

**CHAIR** - And if it is wrong?

**Mr POTTER** - The electrician stands to be asked what happened, why is it wrong?

**CHAIR** - It is quite severe, I think, other than the shock he gets from wiring it up to a tap or something.

**Mr POTTER** - Yes. In some councils now they have gone to self-certification for plumbers, where the plumber can do the job and sign to say that it is done in accordance with the relevant Australian standard. They still require a permit but I am really not sure what the permit does and neither does anybody else. It has relieved councils from employing a plumbing inspector to go and check on the tradesman who is doing his own job. There are two or three councils, smaller ones generally, who have gone down the self-certification line. That is a big move towards getting rid of those permits.

**Mr BOOTH** - With regard to a self-certified plumbing job, can a plumber come in, do the work and then do the design, so he is actually doing a design based on the actual work that was done, or is it still the situation that you have to submit a site plan showing the exact location of the pipes and so forth before you do it and then you find you strike rock and have to resubmit another plan and bugger around or has that been dropped now?

**Mr POTTER** - In the case of internal plumbing and drainage for houses, we are still required to submit a drainage plan or a plumbing layout plan to councils for approval.

**Mr BOOTH** - Before you do it?

**Mr POTTER** - Before we do it and that becomes the basis of the plumbing permit.

**CHAIR** - To councils or to the authorities now, to Southern Water?

**Mr POTTER** - To the council - well, for residents for internal work to the council plumbing department and that forms the basis of their plumbing permit. Nine times out of 10 the plumber will go onto the site and say, 'I don't need to run that pipe from there to there because I can do it this way and pick up something else', so immediately it gets changed. The plumber then does an as-constructed drawing and that becomes the record. The basis of the permit goes in the bin. It just doesn't make any sense for a residence. If you have a multistorey building where you have a lot of intricate plumbing work -

**CHAIR** - Highly commercial, yes, for that you would need engineering certification one way or the other.

**Mr POTTER** - Yes.

**CHAIR** - The other thing that is happening with plumbing, which is what interests me, is that the plumbing industry just this December has gone to a whole new level of certification. They have gone from a couple of hundred dollars a year to thousands a year.

**Mr BOOTH** - It is about \$600, I think. But the other costs are added on.

**CHAIR** - That is what I am saying. A plumber has said to me, 'It is now going to cost me to be a plumber  $x$  number of dollars'. I thought it was near \$1 000. But the point is there is a new regime in place and one would think there would be a trade-off there. If there is a higher-level regime and training and all that, we could be talking about self-certifying plumbers.

**Mr POTTER** - We could and in fact as I say, two councils that I am aware of, Brighton and Tasman, have gone down that track. The plumber goes and does his job, draws an as-constructed of what he has done and lodges it, and that becomes the council record.

**CHAIR** - The council wants to know that he is a currently registered plumber.

**Mr POTTER** - Yes.

**Mr BOOTH** - But that has always been the case. You have always had to be a registered plumber, haven't you?

**Mr POTTER** - You have, yes, and the plumbers have been very strict on that registration. In general you would not get a plumber to do something without going to the council and lodging a start-work notice because the threat of taking your licence off you was always there, with plumbers in particular. But with the self-certification they just need to show that they are plumbers and the councils have registers of who is a licensed plumber and not.

**Mr BOOTH** - So those councils then just require an as-constructed deposition basically of what you've done and they operate on the same laws obviously as councils that are still requiring a plumbing plan before you actually then do the work.

**Mr POTTER** - Yes.

**Mr BOOTH** - Is there any explanation as to why those councils still would be requiring that, that you can think of? Is there any value to it?

**Mr POTTER** - In value terms we can see no reason to have a plumbing inspector on the job at all. These other councils are working very well with their self-certification and so we don't see any reason to have that plumber.

**Mr BOOTH** - Does that apply for work not just internally but connecting to the sewer, for example, across the property, those sorts of things?

**Mr POTTER** - Yes, general drainage out to the sewer or out to the property boundary. It is the same thing.

**Mr BOOTH** - An as-constructed plan is submitted and they don't have to put in a pre-plan for the outside stuff?

**Mr POTTER** - No. Anything within the property is under the control of the plumber and drainer.

**Mr BOOTH** - There are only a couple of councils, you are saying, have actually got that self-certification?

**Mr POTTER** - Yes.

**CHAIR** - So you are clearly able to do it under the Local Government Act or whatever. If two are able to do it then they all are.

**Mr POTTER** - Of course that overcomes this 21-day period to a certain extent, although even those councils with self-certification still issue a plumbing permit in some form.

**Mr BOOTH** - But would that be necessary, Chris, at all or is it a case then that you might apply to build on a block and it is just not possible to get septic, for example, wastewater and sewage treatment on the site or connect to a main and therefore you wouldn't be allowed to build?

**Mr POTTER** - Yes, that is a restriction, but the ability of a block to absorb wastewater from a septic tank or one of the other secondary treated systems comes under the realms of the Health department, so it is not a plumbing problem; it becomes a health problem. As such, we have a special connection permit, which is just another form, which goes to the Health department.

**CHAIR** - The tests you have to provide to them are soil quality tests?

**Mr POTTER** - Soil quality tests, calculations on areas of disposal beds and system analysis. We do that.

**Mr BOOTH** - Chris, can I move on to the building side of things and the regulatory regime surrounding that. Are there any areas that you can see at the moment that are costs associated with building that are a bit like the plumbing situation we have just spoken about that are either unnecessary, unduly intrusive or don't achieve a regulatory result that is worthwhile in that regard?

**Mr POTTER** - From a cost point of view, whilst we now have private building surveyors involved in the system and they require a fee, the actual council component doesn't seem to have gone down very far, even though we have taken out that whole building surveying part of the process. So there hasn't been much reduction by the time they add in all their little bits and pieces in the overall fee. That is one major issue. Clients come in and say, 'What is the council doing for its money?' and all we can say is, 'They have issued you with a permit to build your house'.

Delays are another cost involved. With the building process, I guess we have come to accept that the delays that we get are sometimes people being over-pedantic within the council system and asking for every 'i' to be dotted. When we get a builder who is well-known in the industry he can build a house generally with his eyes shut. The amount of documentation that is now required is going over the top for what it is. I have always been of the opinion that people, so long as their house is safe and healthy, should have a reasonable right to build something that complies with those areas. The level of documentation for somebody to build a house is really over the top now from the point of view that we have to have small plans, they have to be scanned and we are charged a scanning fee at the Hobart City Council, which is \$5 a sheet. The way that the documentation is now going for a standard house we could end up with 20 sheets of drawings instead of one large one, which was always the norm. We don't have a better product so far as the houses go, so there are a lot of those extra costs that are being required of us.

**Ms WHITE** - Evidence we heard earlier today, Chris, mentioned that as a builder they were finding that some engineers were over-engineering in order to meet their obligations with the act and that this was adding a cost to the overall building. In your industry are you seeing some designs that are over-engineered and does this add a cost, in your opinion?

**CHAIR** - Or are you over-engineering?

*Laughter.*

**CHAIR** - Rebecca was being way too polite there.

**Mr BOOTH** - Over-engineered to avoid any problems. Footing sizes seem to have doubled.

**CHAIR** - With slab construction since 1995, you'd have to agree they are massive slabs now.

**Mr POTTER** - There is certainly a lot more regulation with regard to the slab design. We operate under an Australian standard that has been designed effectively as a recipe book, which is very good in that it gives you lots of options for lots of different criteria. The

trick comes in choosing the right soil type before you can go into that recipe book and decide, given some other engineering judgment, which design you should use. Over-engineering comes from people who are nervous with their site classifications, their soil selections. We do have people purely in the site classification area, the soil testing area, who do tend to be fairly conservative. I would not say that they are over-cautious but they are fairly conservative with the results from their tests. With over-engineering in the slabs, once we have a site classification that we can rely on the rest of it following fairly straightforwardly. So from the point of view of footings and slabs, I do not see too much over-engineering. Certainly it has changed from the 1970s and 1980s and even before. There are a lot of houses in Hobart that were built after the war and right through until 1970 that would never stand up under the conditions that we now have to design under. That is brought about by an Australian standard which has effectively tried to give us a unified standard around the country and that is where the classifications come in.

**Mr BOOTH** - Getting back to the concept of a builder being able to build a cottage with his eyes shut because of it being a straightforward procedure, those builders now not only have to be accredited if they are going to do it for a contract or price but they also have to get the soil testing done by somebody other than themselves. They have to get an engineer to design the footings rather than themselves and both of those things are described in the BCA. There are things that people used to be able to do that have now been taken away. Experts are now required to do it. They are not allowed to draw their own plan unless they have accreditation as a draftsman. Even a simple extension like drawing up a porch they cannot do themselves. If it is an extension and they have to demolish a room off the house they cannot do that unless they have a demolition accreditation. Is there a place for people to be able to do all that stuff themselves and make sure that the standard complies with the BCA at the relevant inspection stages of the house rather than this pre-certification and accreditation and those sorts of things?

**Mr POTTER** - Certainly there is some room to move there. The BCA does allow builders to do a site classification under certain circumstances. They can do designs for footings. However there is not a building surveyor in town who would accept it. They want a certificate from an engineer that they can hang their hat on to go to the next stage. As far as the builder going ahead and building a porch and having somebody look at it and say it complies, that really comes back to this issue of self-certification. The builders that are being produced by the colleges and the apprenticeship system are very good. They are tradesmen and they should be able to stand by what they build, the same as the plumbers and the electricians. They are expected to know the correct way to do the job and they should get that credit for being able to go and do their job without having first of all a certification to say this is right and that is right and then have it inspected two or three times on the way. Certainly there are some areas where you need to do inspections, like before it is all covered up while you still have access to framing and things like that, because we can all make mistakes. You can always miss out a nail or a particular piece of timber that should be somewhere. We can all do that. That second set of eyes is very important. However, it must be humiliating for some builders who have been in the industry for 30-40 years to have a junior building inspector come and say, 'Why is that piece of timber there?', when the builder has been doing this job for a long, long time.

That self-certification thing is very powerful. It would do a lot for builders just to give them the feeling that they have control of their own lives, because they have somebody looking over their shoulder all the time

**CHAIR** - It raises them to a level of accountability. They would bend their mind to their own inspection.

**Mr POTTER** - They would. There are a lot of very good builders out there. We very rarely go onto a site to do a footing inspection or a frame inspection where we have to have anything altered. Occasionally we do when we have owner-builders and my practice tends to deal a lot with owner-builders. For some reason they tend to come to us; I am not sure why or whether that is good or bad. But we enjoy that because we can help those people. If we go on site and see something that is not quite up to scratch, we are more than happy to say, 'You just need to move this or shift that or do that'. So those are the people who do need a hand. Most of the builders, if they are accredited builders, are very good.

**CHAIR** - For, say, a 150 square metre cottage, a fully registered and qualified builder is probably still going to require an inspection, isn't he? Before you pour, somebody has to check it because once you have poured you have no idea.

**Mr POTTER** - That is the process at the moment, yes.

**Mr BOOTH** - But could that be covered in terms of self-certification by a properly experienced accredited builder who is not getting failures in inspections? Could they do that with digital photography just to provide evidence for self-certification?

**Mr POTTER** - Certainly, that would be possible.

**CHAIR** - So you could conceivably remove some of the inspection provisions for qualified builders?

**Mr POTTER** - Yes.

**CHAIR** - Does the flipside apply for owner-builders? Could owner-builders, for instance, be required to have one or two more inspections from a private building surveyor or engineer or whatever, because clearly the flipside must apply? If he is qualified and he is not, then clearly the same rules should not apply.

**Mr POTTER** - I agree. The normal process would be a foundation or footing inspection before they pour, a frame inspection before it is covered in, then an occupancy inspection and then a final inspection. So they would be the four normal ones. Occasionally when it comes to framing, for owner-builders you might put in a second frame inspection if it was somewhat complicated or if they were obviously having problems. Not all owner-builders do have problems but that would not be an unreasonable thought.

**CHAIR** - Even with an engineer brief, it has to be done properly, doesn't it? It has to be finished off and tied off.

**Mr POTTER** - That is right. It still has to be tied down and still has to have the bracing in the plan of the roof and all those other things that go with it. So a second inspection there would not be out of the question.

**Mr BOOTH** - With regard to CPD, do you have to do them yourself as part of your accreditation?

**Mr POTTER** - We do. I am accredited as an engineer and as a building designer, so I have those two roles. CPD is probably the biggest ongoing headache that we all have. HIA offer various courses. MBA, if you happen to be a member of MBA, offer courses to their members. I am a member of HIA. To keep up with the number of points on an annual basis is quite a drama, to be honest. You can only go to so many first-aid courses; you can only learn how to waterproof a bathroom so many times. I have just finished, last year, a course going through the BCA on framing. I probably will not need to do another one of those, not that I really needed to do it, but you have to accumulate this mass of points on an ongoing basis.

**Ms ARCHER** - It is not always relevant to everybody's field of expertise, is it?

**Mr POTTER** - No.

**Ms ARCHER** - You cannot get enough of what is applicable to everybody's direct area.

**Mr POTTER** - No, that is right and, as I say, how many times do you need to learn how to waterproof a bathroom?

**CHAIR** - How does that compare with your engineers institute?

**Mr POTTER** - That again is an issue that we are currently going through in that I have this accreditation in Tasmania and I am saying to the Institute of Engineers, 'I'm accredited as an engineer in Tasmania. I'm required to do the CPD points and what have you, surely that has to be sufficient for my membership as well'. I am not sure what the outcome of that will be.

**CHAIR** - At the institute?

**Mr POTTER** - Yes. But I have priced it out over various times and for myself and my offsider who is also an engineer to go to specialised engineering courses on the mainland it would cost me about \$20 000 a year because not only do I have to pay for accommodation and air fares, the cost of the courses is extremely high and when we are away we are not here earning money. It is a very expensive process for us to do that and that is an ongoing issue amongst all professionals.

**CHAIR** - Given your background and where you have come from, what is a reasonable paradigm for CPD for someone like yourself? I understand your having to sit through a framing thing and you have done it once but the whole notion of sitting alongside some other builders and doing some BCA work is not that bad.

**Mr POTTER** - Not at all, no.

**CHAIR** - It would be quite useful for you to interact with builders like that.

**Mr POTTER** - Indeed.

**CHAIR** - What is an acceptable framework? I am happy for you to think that through and provide us with some advice.

**Mr POTTER** - Yes, I could do that. I have never really been down that track because we are filled up with how do we get the next set of points, accreditation is coming around again in a few months and in fact I got a letter during the week to say my three-year accreditation comes up in March.

**CHAIR** - I think you are uniquely qualified to consider what is a fair thing for your clients as to what you should be forced to do over a period of time and it might not be annual, it could be accumulated over three years or whatever. If you could think that through for us.

**Mr POTTER** - Yes, sure.

**Ms ARCHER** - A question flowing on from that would be are there any benefits under the current CPD system, for example, that might lead you to consider some things that may not be necessary or is it necessary at all? We have had different views on this issue and some people don't think it is necessary at all. Others say that there is some value to it and it becomes a matter of cost in how much they do and the design of the course.

**Mr POTTER** - Obviously with the design of the course, if there were enough interesting subjects there would not be an issue but we have the BCA and there are 20 or 30 Australian standards that are registered within the BCA. In my area I deal with maybe half a dozen and ongoing work within those Australian standards would be very important but generally the courses that we have - and I am not blaming HIA or MBA or anybody else - have just run out of subjects. There are just not enough things that pop up that are interesting to builders.

**Mr BOOTH** - What is an example of a course that you have done that has been worthless? If that is not your description, you might have another word to describe some of this stuff.

**Mr POTTER** - It is not so much the ones that I have done that are worthless, it is the fact that come three months' time they will re-run the courses and because we are driven by CPD points you have to go and do them again or you have to do something else.

**Ms ARCHER** - There is something wrong with that in itself, isn't there? It defeats the purpose of CPD.

**Mr POTTER** - Yes.

**CHAIR** - One designer told us he uses it as an opportunity to meet new builders and new clients.



**Mr POTTER** - And regarding your comment about me sitting next to the builders and doing this framing course, I got to talk to a lot of builders that are not my clients but there might be some spin-off, and that is not bad in itself.

**Ms ARCHER** - You can do that at a cocktail party, though.

*Laughter.*

**Mr POTTER** - Yes, that's right. That is the big issue, I find, that there are not enough interesting courses that you can go to and that are relevant to what we do.

**Mr BOOTH** - Should you have to go to them anyway? For example, say a builder is a cottage builder, he has been doing it since Adam was a baby and he has to suddenly get 22 points a year. That is 22 hours out of his life to do a course that appears to not change the way he builds. Would that be a fair comment?

**Mr POTTER** - Yes, it's a very fair comment. That's exactly the way we look at it. We go to work at 8.30 a.m. and knock off at 5.30 p.m. and it is hectic and very, very busy and then we have to go and listen to somebody talk about something that is second nature to what we do every day of the year.

**Mr BOOTH** - Would there be a proposition perhaps that if you were going to have CPD it would be a requirement upon a failure of an inspection? Say you have an inspection on a house that somebody is constructing and if they find that the framing hasn't been done correctly and a failure notice is given to that builder at that point in time or remediation is required then they be required to do a framing course if they infringe a couple of times.

**CHAIR** - You'd have a course of shame.

**Mr BOOTH** - Well, why not? Everybody is made to feel ashamed now because you are sent off like a criminal to these courses every fortnight.

*Laughter.*

**CHAIR** - Your response to that could well be considered in that response you are going to think through for us. What we are looking for is what is reasonable because we are getting evidence that this is something that building practitioners shake their head about and go and do, and that is a direct cost on building. It has to be, someone has to pay - loss of productivity has to be built into jobs.

**Mr BOOTH** - You may want to think about this, Chris, but I am very interested in the issue of lack of numbers in the industry due to people being driven out of it by these regulatory requirements that don't achieve anything but because of the cost of them and the time issues, people are forced into retirement; they don't want to keep their professional indemnity insurance or have to do CPD, they don't want to have to pay their accreditation fees because they are only going to work three months a year as a 65-year-old builder who is earning a bit of money or assisting a family build. The proposition has been put to us that you just can't afford to do it, that the cost of accreditation now is so expensive per hour for someone who doesn't work a full year that it is an impediment

to remaining in the industry and it is driving people out of it and therefore creating a skills shortage.

**Mr POTTER** - Certainly at the top end, at the older end of the tradesmen, that has been the case. I have noticed that the apprentices who are now finishing are very enthusiastic and are happy to get their full qualification and get into the industry. I think the reason that I see that enthusiasm is that there are a lot of builders out there who are in their mid-50s to early-60s who want to retire and because they feel that they can't just walk away because there is nobody there to do the work, they are hanging on. That accreditation then becomes an issue, particularly if they are winding back to two or three days a week where they can run a business without being on the tools and have a crew of younger guys to do the hard work but they still have to have their accreditation. Who wants to do CPD points when you are 63, 64, 65, running a business with a crew of half-a-dozen guys and doing the bookwork, basically using your client base to continue your work and to find them work. Those things are just over the top; they are not necessary at all. As far as driving people out of the industry is concerned, it certainly did do that when this whole process was introduced a few years ago. A lot of people said, 'I cannot be bothered going through all of this; I will just give it away'. That is what has created the shortage that we now have because there were a lot of experienced builders -

**CHAIR** - And driven the price up.

**Mr POTTER** - It has, and driven the price up. A lot of experienced builders walked away and said if you are an owner-builder I will come and give you a hand, so they got around that, but a lot of them said, 'No, it is too hard.'

**Mr BOOTH** - So as an immediate consequence of the implementation of the Building Act did you immediately see, therefore, a lifting in the standards of work of those builders who remained standing?

**Mr POTTER** - No, sorry, we didn't. There was no change whatsoever. In fact because of the loss of that knowledge at the top end, guys who had been building for 30 years, I think it dropped off for a while. It is now starting to pick up again.

**CHAIR** - Loss of experience.

**Mr POTTER** - Yes, loss of experience from that top end.

**Mr BOOTH** - We have somebody coming in in another session to give evidence of the total cost of being a designer, plumber and various other skill sets that this builder has had over about a 40-year lifetime. His costs are something like \$6 000 a year before he lifts a spade. He is one of those examples of someone who only wants to work three months a year because he is 65 or so. He will leave the trade. Do you think that is something we need to take account of in regard to the regulatory regime to make sure we retain those sorts of skills?

**Mr POTTER** - Indeed; they are very important skills. They are skills that we cannot afford to lose if we can do anything to encourage those people to stay. If that means looking at this whole registration and CPD thing, maybe there is an avenue there to have a sliding scale where, as you get older and more experienced through your trade, this requirement

for CPD and in fact your registration could be reduced. So at the end of your time you are paying virtually nothing but you have this huge bank of experience that you can put to use on every job.

**Ms ARCHER** - It is a good point because there doesn't seem to be flexibility to allow for part-time work. Other professions are looking at that to retain females in the profession who might want to go off and have a family but still have a career. It's a different issue here but it is the same result where people might want to work part-time, but what is prohibitive here is the cost of staying in the business.

**Mr BOOTH** - They are excluded through a bureaucratic thing rather than capacity or skill.

**Ms ARCHER** - Yes, for different reasons.

**Mr POTTER** - It comes back to this thing I was saying earlier about having a very experienced person who wants to run his business rather than be on the tools. He doesn't need all those other things because he is actually directing other tradesmen and apprentices and labourers to do the work.

**Ms ARCHER** - You could have different levels of registration, or a different category, perhaps?

**Mr POTTER** - Yes, indeed, a manager's role or something like that.

**Mr BOOTH** - But once again there is that capacity to pick up any fault at the inspection stage. If you've got non-compliant work that has been approved, then there is something wrong with the approval.

**Mr POTTER** - Yes.

**Mr BOOTH** - Therefore, is it reasonable to say that it is not the accreditation that actually ensures compliance; it is the inspection that ultimately ensures compliance because if you are inspected properly you are not going to approve non-compliant work? Therefore it doesn't matter who did it as long as when it gets to the inspection stage it is actually done properly.

**Mr POTTER** - In effect, yes. That is where the owner-builder's thing is so important. They can build their house with or without any professional help and we do have lots of clients who want to have a crack at it on their own. I don't mind looking over their shoulder two or three or four times to make sure that it complies because it is keeping their costs down, getting them into a home without needing to go through that whole other process. So, yes, the inspection part of it does pick up any problems along the way.

**Mr BOOTH** - If you are going to build a home for yourself it really should be up to you, in that sense. One witness said that if you want to build a shack to live in that does not have a six-star rating and does not have double-glazed windows, sealed rooms and so on, if you want to build a shack for yourself you ought to be able to build a shack and just call it a shack, not a house or something different so that people are able to build shelter for themselves. Do you have any comment on that?

**Mr POTTER** - No-one in the industry seems to know exactly when we are going to six-star rating but that is adding enormous costs to the cost of building a house. Once we get to six-star rating in Tasmania it will almost be mandatory that you have double glazing. I suppose competition will ease the price on that when it becomes necessary. Double-glazed windows are extremely expensive at the moment but, again, it may be from lack of competition.

Regarding the insulation value, reducing your energy consumption, I liked a previous witness's idea of putting on a jumper. Certainly the place needs to be healthy and it needs to be safe but other than that I cannot see a huge reason to have rooms sealed up so that they are so tight you cannot get any fresh air in there whatsoever, and that is where we are really heading. In the 1940s and 1950s, double-brick houses were very popular in Tasmania, particularly in Hobart. Cavity vents within a room went into the cavity and were matched by a vent on the outside, so there was never a problem with mustiness in a house at all. I see lots and lots of houses where people have mould growing on their walls and they say to me, 'Why, Chris?'. The curtains are brown and dripping and I say, 'For goodness sake, just open the window', but we are being encouraged, particularly when we get to six stars, not to have any form of ventilation whatsoever.

**Mr BOOTH** - Do you want comment on that from a health point of view?

**Mr POTTER** - It is horrific and I think that the increase in asthma has a lot to do with mould spores and things now being common in houses.

**Ms ARCHER** - It is interesting, isn't it, because people would equate six stars to health. I certainly did until I looked into it.

**Mr POTTER** - We equate six stars to lack of ventilation; that is the way I see it.

**CHAIR** - These things have a tendency to turn on themselves when you take a good idea too far. We have had evidence that the benefit is just not worth the extra money you have to pay and now you are talking about the disbenefit, which takes it to another level again.

**Ms ARCHER** - Also the time for industry to catch up to get to that standard too.

**CHAIR** - Are six stars through BCA?

**Mr POTTER** - Yes, it is BCA.

**CHAIR** - Will it be a Tasmanian instrument?

**Mr POTTER** - I think the introduction of the six stars is. It is in the BCA now but it has not been adopted by Tasmania. It will be adopted but I am not sure what that process of having it adopted by Tasmania is.

**CHAIR** - We will have to find out.

**Mr BOOTH** - Do you think, in terms of the design to achieve six stars, some of it is just arbitrary in that a percentage of the windows have to be facing north and there have to be certain eave lengths and so forth. But getting back to the example of the bloke who

reckoned you should put on a jumper for example, do you think that to require an energy rating of that size on a very small house is necessary?

**Mr POTTER** - No, if it is just a single very small residence. I do not think that there is a need to go to six stars.

**CHAIR** - The BCA does discriminate between small residences or large residences. It does not contemplate the shack does it?

**Mr POTTER** - No it doesn't. It is almost impossible under the current regulations to build a shack.

**Mr BOOTH** - Do you think that you should be able to build a shack, even though you have sort of half answered that before in terms of a humble abode.

**Mr POTTER** - Yes I do. There should be some mechanism where you are free to build something that suits your lifestyle.

**CHAIR** - Everybody knows what it is so you are not passing it off as a house or whatever.

**Mr POTTER** - No. And when the time comes if you want to sell it or whatever everybody can see that this was built under this particular set of rules.

**CHAIR** - Could I just be devil's advocate here: southern beaches - Dodges Ferry and Lewisham - had all these shacks, no sewer, no water, no roads but before long anyone who owned them for money reasons started renting them out to people, and they still do, for \$90 a week or whatever, and now they have turned into commuter homes and they are still shacks. We have had to change the entire plumbing and sewer environment in Tasmania, driven by the southern beaches debacle. I guess that is the other side of having two standards in dwellings.

**Mr BOOTH** - No, that is actually the sewerage.

**Ms WHITE** - If we are moving to a six-star rating, what happens to people like me who built a shed to live in and it went through council as a dwelling prior to building what I hope will be a home soon? Will that ever be allowed to happen if there is a six-star rating? It went through as a dwelling, so it would have to meet all these other requirements.

**Mr POTTER** - It would have to meet six-star requirements.

**Ms WHITE** - Which is going to be a prohibitive factor for people who are doing that as a cost-saving measure before they can afford to build a house. It could rule out people doing what I have done which could add to the cost of building further.

**CHAIR** - A double glazed shed!

**Mr POTTER** - Yes, with massive insulation and all those other things that go with it.

**CHAIR** - We are going to have to get advice on all that and have a good look at it.

**Mr BOOTH** - Just getting back to the shack - you still apply to the council to build a shack but it will just have to have a stronger footings so that it will not blow away and take out your neighbours house; is that the sort of thing that you would be concerned about?

*Laughter.*

**Mr POTTER** - Yes. In very general terms, yes.

**CHAIR** - I think he is working back to an igloo!

*Laughter.*

**Mr POTTER** - In very general terms, yes - so long as it is not hidden from the next purchaser and passed off as something that it is not. This comes back to the 'build a shed now and we will fit it out as a house for a few years' and lots of people do not ever go to the next step. I am not sure whether you will or not.

**Ms WHITE** - I'm planning on it.

**Ms ARCHER** - She wears a lot of jumpers at the moment!

**Mr POTTER** - But a lot of people do not go to the next step because they find that they are quite comfortable in their little shed. One or two bedrooms, a living area - it is warm and it is cosy and that is all that they require. They then say, 'Let us not go to a huge mortgage, let us just enjoy what we have got'.

**Mr BOOTH** - And that is what families used to do in the 1930s, 1940s and 1950s.

**Mr POTTER** - Whilst we all want to progress, I am not sure what that progression is there is still a role for that type of house where people have some choice.

**Ms WHITE** - Are you saying that as long as it is safe and it is healthy, then where is the problem? Everybody talks about affordable housing so what is affordable housing?

**Mr POTTER** - That is right, yes.

**CHAIR** - I think that Clarence has one of these new planning schemes. Do you get involved in the planning process at all?

**Mr POTTER** - Yes, we do.

**CHAIR** - I am interested in your experience down in the south. In the north, for instance, the West Tamar Council has one of these new P1 planning schemes with a P1 rating, so you drop a plan for a cottage, they will take \$400-and-something off you for a planning permit to assess the setback and height, which is just a simple look at the plan, whereas in Launceston they do that as a matter of course and do not charge because it is a fully permitted use and so therefore they do not charge to look at the plan. They will check setback and height and they will check the envelope but other than that they then move to the building permit arrangement. What is the situation in Hobart? Do you pay both ways?

**Mr POTTER** - You certainly pay both ways.

**CHAIR** - In the Hobart City Council?

**Mr POTTER** - Yes, you do.

**CHAIR** - For a dwelling?

**Mr POTTER** - For a dwelling.

**CHAIR** - You pay for a planning permit for a dwelling?

**Mr POTTER** - Yes. Almost every house requires a planning permit.

**CHAIR** - It's a rip off. That was muttering under my breath. I just can't believe it.

**Mr POTTER** - In Clarence from what we are effectively told if it complies with the planning permit, if you have all your setbacks and your heights right, we can shoot it through quickly.

**CHAIR** - What do they charge?

**Mr POTTER** - I don't know the fee, I am sorry.

**Ms ARCHER** - It varies so much from council to council.

**Mr POTTER** - Yes. If it does not comply with the planning scheme, don't bring it in. It has almost got to that stage where there are no discretions.

**CHAIR** - Setback variations?

**Mr POTTER** - I think they have almost gone as well. The latest amendment, which was only about October, undid something that they amended 12 months beforehand because it just was unworkable and so they changed it back again.

**CHAIR** - Despite the fact that you must be within the envelope, they will still charge you and assess to make sure you are in the envelope.

**Mr POTTER** - They do still charge a planning permit fee.

**Ms ARCHER** - How long would it take them to assess that

**Mr POTTER** - You go into a planning permit situation with 42 days. You know that you could wait for 42 days.

**Ms ARCHER** - Even though you know it is going to be a permitted use, et cetera.

**Mr POTTER** - Yes, because there is no grading and there are no rules. If you go in and we are really busy, you will wait for 41.5 days.

**CHAIR** - Whereas in Launceston permitted use is permitted use. They do not submit it through that process, you are straight into the building approval for which they are way too slow and disgrace themselves at that point, but that is a different issue.

**Mr POTTER** - Right, and that is really where it should be. If you have a house which is a house in a residential area and you can comply with heights and setbacks there is no reason why they cannot at the counter write 'This planning permit is approved' and go and lodge for a building permit and again we go back to that seven days and 21-day issue, you should be able to start work within three weeks.

**Ms ARCHER** - Is this a matter of trust that they want to actually go through it with a fine toothcomb to ensure that what they are being told is actually permitted. Is that the case?

**CHAIR** - How complex is it? What is an envelope - it is height and setback, isn't it?

**Mr POTTER** - Yes. I would like to think it is that they do not trust us because the other alternative is that it is a money-raising venture and that is worse.

*Laughter.*

**Mr POTTER** - I know I am pretty cynical after all these years, but we have had delays and delays and delays over the last 30 years and we start to ask the question as to whether it is money raising or not.

**Ms ARCHER** - Fair enough.

**CHAIR** - Thank you very much for your time, Chris, and I invite you to submit the consideration on that other matter.

**Mr POTTER** - Yes, I will make some notes then and come back.

**CHAIR** - While we know it is an issue, we have not got it in our minds where we might start in proposing a more reasonable environment and you are well placed to consider it.

**Mr POTTER** - Okay.

**CHAIR** - Thanks you for your time. I trust you will not submit an invoice because we do not have a budget.

*Laughter.*

**Mr POTTER** - I won't. I was asked that question in the office this morning, though, and I said that I wouldn't do that.

**CHAIR** - How about we sign you off for a one CPD point?

*Laughter.*



**CHAIR** - Thanks very much, Chris.

**THE WITNESS WITHDREW.**

**Mr SCOTT GLANVILLE, SCENPORT, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.**

**CHAIR** - Scott, thanks for coming and your time today. It is very good of you to help us out with this. I know you did make a submission and we have invited you to come in. Some members of the committee felt that we should lean on your expertise a little. It is clear that Parliament believes that there may be a case that the cost of building and construction in Tasmania has been or is being unfairly amplified by various regulatory arrangements other than market conditions, but we are also interested in market conditions if they are unfairly influenced by something, and obviously saw it important enough to hold this inquiry into it. We have had some extremely interesting input from the building industry generally, mostly up north to this stage, so we are very keen to have a practitioner of your standing and level in this part of the State to come in and talk to us about that. We are particularly interested in what is driving up costs. We know about time and money, holding costs, the delays and all that, but we are happy to explore that with you too. Also, we want to hear whether you think there are costs that you have to bear that are onerous. Your industry is one where you know where the costs are - you have a feeling within yourself whether this is good for your client or not; often it isn't, it is just a cost. We are very keen to hear from you. Is there any opening statement you want to make?

**Mr GLANVILLE** - I didn't prepare anything written because I came along to be reasonably open and answer questions, et cetera. I have made a couple of notes that maybe can start off on what I think are important parts of our industry.

**Mr BOOTH** - Just to interrupt, if you don't mind, do you want to give us a bit of rendition about what you are, your qualifications and your business and so forth just for the record?

**Mr GLANVILLE** - I am construction manager for Scenport Constructions. I've been in the industry for 25 years. I worked for Laver for 13 years prior to joining Scenport Constructions. I've been on the MBA for 10 or 11 years. I've been chairman of their education and training committee and served on State council. I am passionate about the industry and I believe that it is a great place to work, but there are some things we need to do to protect it for the rest of our industry and for future kids to be part of. That is why I was talking to Bec at one of our social functions and I guess that is how this came about. I guess my passion came across that I would like to see whatever we can do to make it a better place and influence it somehow.

One of the most interesting things, I think, from us compared to the mainland is that our labour costs are inherently cheaper but our materials are dearer. There is anecdotal evidence that the multinationals, once they get involved, use Tasmania as a little bit of a dumping ground where they can make profit out of things they sell for very low cost on the mainland. We are seen to be part of their profit-making exercise. Concrete is a prime example. You are paying about \$115 to \$120 a cubic metre for concrete in inner city Melbourne, and here \$50 a cubic metre more. There is no rhyme or reason for that. It is still a quality product and it is still cement. We make our own cement, so that is just a very obvious example of one of the problems that we have. We just do not seem to be able to get the good pricing power from the mainland.

**Ms ARCHER** - Is that volume-related?

**Mr GLANVILLE** - I think it has to have some impact on it. They are not all multinationals, the Tasmanian companies that do supply part of them. I think there is certainly some agreement on pricing. It is not price fixing because you cannot do that, of course.

**Ms ARCHER** - Prohibited, yes.

**Mr GLANVILLE** - But I guess if the multinationals are going to sell at a certain rate, why would the locals necessarily massively undercut them. If they can get the money, they will get the money. It is anecdotal at this stage. I do not think anyone has ever done a lot research about why that is the case, but we do know it. I have been in Sydney and Melbourne as part of project teams in the past and the rates are real. Queensland is even a little bit more apart than those two places but that is certainly one of the factors that we have put up with.

I think one of the big things that we see because we get involved with the developers as well, not just builders, is that the red tape and financial requirements that we have down here as developers certainly mean that potential projects are hard to get up. The financial is more of a recent one with the GFC; a lot of the banks have made their financial requirements inherently harder. That is obviously nationwide, so that is not something solely for us, but the - pardon me, Kim, for want of better terminology - green element within the councils et cetera makes it really hard for developments to get up. They are normally more costly to go through. I have had a personal situation where we were involved in a development. All the council planning staff, the Planning Appeals Tribunal, everyone signed off on it but because there were three neighbours that were in ears of all the councillors, we lost in the council by one vote, whatever the majority was, and that meant \$300 000 worth of work on a development went down the tubes. That is just because I have had personal experience of that one.

**CHAIR** - That was \$300 000 already expended?

**Mr GLANVILLE** - Yes, gone.

**Mr BOOTH** - Did you go to appeal on that one?

**Mr GLANVILLE** - We went to see our lawyers about it because there was a whole heap of legal stuff tied in and they said that, because council laws had done it, it was likely to cost us another \$100 000 just to get to appeal. To be honest, we did not have any more money left. We put what we had into the development and after that it was finished.

**Ms ARCHER** - What formed the \$300 000? Can you briefly touch on the costs?

**Mr GLANVILLE** - It was a site that was quite tricky in getting the environmental balance. A lot of people understand that you lose something in development, so we had to manage that. We had to get a riparian report, which is dealing with what happens with rivers. So there were expert consultants. There was about \$50 000 worth of expert consultants that you would not normally have in any other development. Then there is the normal engineering, architects and all those costs. Probably \$220 000 to \$230 000 you would

expect to spend on a development anyway. The \$50 000 to \$70 000 extra was because of the site and because of all the conditions that were on it.

**Mr BOOTH** - Could that project have been less wasteful? Every application that you do not achieve approval for costs money, but what if you had been able to go to the council and say, 'What are the things that we are going to have to achieve to get this development up?' before you actually went to the extent of doing all these surveys and so forth only to find at the eleventh hour you were knocked out on some other basis?

**Mr GLANVILLE** - No, no basis.

**Mr BOOTH** - No basis. So do you think there should be a mechanism available in the planning for you to submit exactly the same thing but without all of the survey work done, but subject to you achieving all of those things satisfactorily, rather than doing it first?

**Mr GLANVILLE** - I guess the disappointing thing is that that is what planning and building are for. It got planning approval, but it was in getting the final building approval tick that it fell over.

**CHAIR** - Building approval? That doesn't go to council, though.

**Mr GLANVILLE** - Well, it does. Because it took so long to get all the reports we got right to the end of the two-year period for that. We applied for an extension, which you can normally get fait accompli, and they knocked us back on the extension.

**Ms ARCHER** - That is unusual.

**Mr GLANVILLE** - It is the only one in 25 years; so it is extremely unusual.

**Ms ARCHER** - Normally a council will want development to go ahead, particularly as they have already approved it.

**Mr GLANVILLE** - I am well aware that some people put developments up and they are not necessarily good for the city. Some people have a different view on those and I am well aware that they are entitled to that, but when all the council planning officers support it, the Buildings Appeal Tribunal support it, all the expert consultants that are involved support it, to then have it overturned by the councillors who are swayed by the constituents who come and see them, that I think is wrong within our industry. If all the experts say it should happen, I just don't feel the weight of support should be swayed by that, especially as at the moment the people who put the objections in don't lose anything financially. They can keep objecting until the cows come home and it doesn't matter.

**Mr BOOTH** - When you say the Building Appeals Tribunal, how did it come to pass that you went to a tribunal?

**Mr GLANVILLE** - As part of the initial planning, the original development was knocked back. It went to the appeals tribunal; there was discussion about what we could do. There was an agreement within that tribunal about the changes that would be made to make it happen. Those changes were complied with and got -

**Ms ARCHER** - So it went to mediation at RMPAT?

**Mr GLANVILLE** - It was not even that difficult. From memory it was originally eight units and we had to drop one. That was probably the simplest method and then there were some open space requirements and those sorts of things which you have to comply with. So it wasn't a difficult change to get it to meet their requirements.

**Mr BOOTH** - So it was RMPAT rather than Building Appeals?

**Mr GLANVILLE** - Yes, RMPAT.

**Mr BOOTH** - So getting back to that point of being able to get some certainty before you have to do all the survey work, this thing fell over at the eleventh hour. You had planning approval and you were only waiting for building approval but because you didn't get that done in two years they decided to make it a fresh planning application.

**Mr GLANVILLE** - Yes, but then we spoke to all the councillors and they said they wouldn't support it. If the councillors are saying they won't vote on it, no matter what the technical aspect is -

**Mr BOOTH** - So it didn't go to council; you didn't re-apply?

**Mr GLANVILLE** - No. We had the chief development officer of council supporting us and wanting us to go again, but we said that unless you are going to convince your councillors to vote differently then it is pointless.

**Ms ARCHER** - Even though it complied with the planning scheme. It shows you what can happen.

**Mr GLANVILLE** - An interesting thing is the requirement of a planning condition. You have two years and you have to be deemed to have made a substantial commencement. A substantial commencement is as ridiculous as putting an excavator on site and digging a hole. That is deemed substantial commencement. Yet we had spent \$150 000 on all these consultants reports, everything, and yet that wasn't deemed to be a substantial commencement of the process.

**Mr BOOTH** - But you didn't test that, did you, because I would have thought that would have been -

**Mr GLANVILLE** - Yes, we did test that. We went with our lawyers and they said at best it is 50:50. Historically, commencement is a spade in the ground. There are other examples; that is just one of them.

**CHAIR** - Clearly that is one very close to your heart.

**Mr GLANVILLE** - Yes, but I don't want it to be about me because I think there are a lot of people out there experiencing the same thing. Every development that has that sort of money on it and doesn't get up means that the other ones cost more because you have to somehow try and recoup your costs et cetera.

**CHAIR** - I commend to you a read of the evidence we had this morning from the Chairman of the Tasmanian Planning Commission, Mr Greg Alomes, who spoke about these kinds of developments and his evidence was that there ought to be a process whereby, although you are talking building here, you could almost go for a change to the planning scheme and once you get approval for that - that is fairly cheap, although somewhat lengthy - once you are through that gate, if it is all pretty okay; a lot of it is permitted use. Anyway, I just point you to that.

Scenport is a mix of commercial and residential?

**Mr GLANVILLE** - Yes. It varies depending on the stronger part of the industry. At the moment we are primarily commercial. For the last three years we have been mainly commercial but prior to that there was a fair bit of residential involved but we are flexible with the workload that we can take on, which is helpful.

**CHAIR** - On the commercial side of things, the Building Act 2000 proposed that you have insurance for some time but then that was knocked out or not proceeded with.

**Mr GLANVILLE** - The insurances that the Building Act ended up putting in we already had in place. I think that mainly affected residential builders that probably were not aware of the stuff we have to do as commercial.

**CHAIR** - In any event it has been drop-kicked out because it was of no value to anyone.

**Mr GLANVILLE** - Interestingly enough, if you are talking about housing indemnity insurance, it is now a requirement that you must offer it to clients but no-one takes it up.

**CHAIR** - They are pretty wise.

**Mr BOOTH** - It is like asking them to throw their money in the bin.

**Mr GLANVILLE** - Yes, that is exactly right. It is very hard for anyone to ever get money out of insurers. They saw it is a bit of a cash cow.

**CHAIR** - In your experience then with the MBA organisation you would know a bit about the CPD and Tasmania has a process of compulsory CPD.

**Mr GLANVILLE** - Yes.

**CHAIR** - We have had a deal of evidence given that to many people, particularly the more senior and the more qualified ones, this process forces them into attending silly courses or attending the same course three times or whatever because they just have to get their points up.

**Mr GLANVILLE** - You are dead right, what we all hate is the beer and pizza point which we all laugh about that a lot of people get. There is a requirement to get the points but nobody really cares how you get them. As long as the number adds up to 12 every 12 months -

**CHAIR** - Twenty-two, isn't it?

**Mr GLANVILLE** - Twelve per year, sorry. I think it is 36 over the three years. There are 22 in category 1. I think it is split. It is an interesting point. Even before CPD came in I was advocating that I did not believe our industry was professional enough. I thought there were far too many and there still are really - registration has not done what I think it could have done. It let everyone who was already pushing the boundaries when it came in to automatically get a ticket and they now walk around and say that they know everything.

**Mr BOOTH** - You only had to have had three home-owner warranty policies to prove that you had actually taken out insurance.

**Mr GLANVILLE** - Yes, I know. I can give you examples of a ground works contractor who used to build houses and now has a licence to build a multistorey building and he never ever did it. There is another builder out there who is a mechanical contractor who has a building licence because he had a company for a few years and, as you said, had some housing indemnity policies. As much as I am glad it is in, it has not really done the job that I think it could have done effectively.

**CHAIR** - Can you think of any way that we can extract any value out of it? I will give you the opportunity to defend why the current paradigm should stay.

**Mr GLANVILLE** - As in the CPD, et cetera?

**CHAIR** - The whole registration.

**Mr GLANVILLE** - I think registration is vital. It is a very litigious part of whatever we do. As an industry there are lots of aspects for legal disputes within it and the more we get that way, the more professional we need to be within it. I just do not see how you could go backwards now and delete it. It was always strange to me that plumbers and electricians had to be registered but they only have to know one trade, builders have to know the whole thing, and more and more we are expected to be building consultants, lawyers, experts in all the services and answer every single question all the way through. The way contracts are at the moment, that is the sort of thing that we are being forced into being aware of. So to say that you shouldn't be professionally qualified to do all that I think is a misnomer.

**Mr BOOTH** - How has that changed building a simple cottage? Your level of activity is far greater than just a home builder doing commercial multistorey development works, planning applications and all that sort of stuff. Regarding a cottage builder, for example, what has changed since they got a piece that said they are accredited from when they didn't?

**Mr GLANVILLE** - What happened was the cottage builders were given far too much licence to get into commercial. They were given housing plus commercial up to a floor area, or level or something. I think that has changed slightly in the latest rules. But that virtually said to everyone, 'If you can build a house you can build commercial'. So then because they had the qualifications, they went and had a crack at it. Once they had a crack at it, it was then heaps easier to start saying, 'I've done that, I can now be qualified

more', even though they haven't done the uni degrees and all that that are now requirements before you can get your licence these days.

**CHAIR** - For commercial building?

**Mr GLANVILLE** - Yes. There are pros and cons. With the farmers that always used to build the farm sheds and all those sorts of things, I am fully aware that when you bring in regulations like that they are not always going to satisfy everyone. Someone is always going to feel as though they are over-governed by all these things.

**CHAIR** - Or that the industry is overprotecting itself.

**Mr GLANVILLE** - Yes.

**CHAIR** - There is always that.

**Mr GLANVILLE** - There is.

**Mr BOOTH** - What about CPD then, setting aside the overall argument about accreditation, when you spoke about the 'beer and pizza'? Can you detail a beer and pizza night to get CPD? Do you have to know how to order a pizza?

**Mr GLANVILLE** - No, you get invited along to one of the industry organisations. They will have a guest speaker who speaks about a technical aspect of the industry for half an hour, you then hang around to have a beer and pizza afterwards and you get a CPD point. That is the reality of it. They meet the guidelines.

**Ms ARCHER** - They go for the pizza.

**CHAIR** - It is the same in every industry.

**Mr GLANVILLE** - I'm not doubting that it isn't. I totally understand why people are a little bit disappointed about the fact that they have to keep going and do the courses. I've put a lot of time in and getting the point sometimes you have to go and do stupid stuff, even though you get more qualifications by just working in your business day by day and researching and doing all the stuff we've got to do.

**Ms ARCHER** - What is the point then, do you think? Is there a better system that we could use?

**Mr GLANVILLE** - I think the system is fine, I think it is just tweaking about how we manage what is a legitimate course and what isn't.

**CHAIR** - Do we have enough graduations for a building practitioner? As Kim was saying, a builder of a cottage needs to know this, he really doesn't need to or aspire to know this or this or this, but he needs to know that. Then you've got these other graduations up to someone at your level where really now you need a university degree as a minimum, plus all sorts of other things. You were saying earlier category one is 22 points. How many categories are there?



**Mr GLANVILLE** - The CPD is the same across the whole spectrum. So it doesn't matter what category you have, the CPD points that you have to get are the same.

**CHAIR** - How many categories of building practitioner are there then?

**Mr GLANVILLE** - Is it still three, I think, three or four. I think there are three levels of commercial plus housing. I think that is not bad. You can't really put too many more steps in it. In Tassie we don't get the 50-storey buildings which perhaps warrant even more qualifications. I think that is adequate. Whether you are a house builder or a commercial builder, you still have to get the same number of CPD points and the same type of CPD. I think that is probably the area that requires looking at. For somebody in my position going to a first aid course just to get the CPD points up is ridiculous. Likewise, I don't believe a beer-and-pizza night is good enough reason for the house builders to get CPD.

**CHAIR** - They could have actually done something.

**Mr GLANVILLE** - Yes, we have housing members in the MBA, and a lot of them come to the meetings because it is a way of getting CPD. One of the good things about it is that it brings them into the association and it makes sure they are hearing certain things, but they don't like getting trained. They just want to go out and work on the tools, and they feel as though it is a little bit of a blight on their time to have to go and do extra curricula training.

**Ms ARCHER** - Is it getting trained, though, or is it being trained on things they already might know?

**Mr GLANVILLE** - Everyone keeps changing the rules regularly. The BCA gets updated every 12 months. We have all the star ratings that bring in sustainability and all that. There generally is enough stuff over at least a two-year period such that for most of those points they could actually learn something. It does not matter what training you go to, you already know 50 per cent to 60 per cent of it probably. It is making sure that the 40 per cent that is vital to your business actually gets across to you that is important.

**Mr BOOTH** - That is a problem too in that most people forget what they have learnt. In three hours they have completely forgotten it unless you actually move your hands and do it.

**Mr GLANVILLE** - That is right.

**Mr BOOTH** - So it is whether the courses are effectively in that form too.

**Mr GLANVILLE** - Yes. The fact that you have to do it regularly at least means that they are more likely to go back and keep hearing things. The MBA and I think the HIA would do it with their home show down here at the Derwent Entertainment Centre, but the MBA run a conference every two years as well, which brings down mainland speakers et cetera and does open up people who want to come along to hear different aspects. I think both organisations are fairly creative about trying to provide CPD that is actually relevant.

**CHAIR** - If we did not have compulsory CPD in legislation could the MBA and HIA not consider having their own compulsory sessions?

**Mr GLANVILLE** - We had it. The MBA had it; HIA didn't. HIA were most against it when it was brought in but the MBA already had it. It is a requirement of our association to do CPD to maintain your registration.

**Mr BOOTH** - Following up on Rene's point, the MBA and HIA are both effectively guilds that work for their members because of all the benefits you might get as being part of the association and also the reputation for your work, so isn't it to that degree in the interests of trade associations to perhaps be the ones who provide CPD as a compulsory part of being a member and which differentiates them from the rest of the common herd who want to go and have a beer and pizza night, so their work would actually mean something then?

**Mr GLANVILLE** - Are you saying that by putting on these nights the associations are encouraging builders who may not come along?

**Mr BOOTH** - No. I am just saying that given they exist for the sake of their members, the MBA and HIA are like a guild.

**Mr GLANVILLE** - They represent their members, yes.

**Mr BOOTH** - Like a hatters guild or a shoemakers guild or whatever. You said before that the MBA used to do that with their builders. It was a compulsory part of being a member that you had to actually give evidence that you had achieved a higher standard than dodgy Joe down the road who wasn't an MBA member, for example. So with regard to the associations providing their own CPD, wouldn't that be a way of getting a level of professionalism amongst some builders to that degree, with the others just simply being accredited and having their work inspected? If they had not done the CPD and they did not know what they were doing then they would get a rejection and have to re-do the work, or not get it passed.

**Mr GLANVILLE** - I am presuming from the consumers' point of view they probably do not want to be at risk of that. They would prefer to know that their builders are getting regular CPD and trying to be kept up-to-date. That is one of the plusses about compulsory stuff. It is not compulsory to be a member of HIA or MBA.

**Mr BOOTH** - One of the issues we are looking at is building costs and obviously CPD drives building costs up because you have to build it into the time out and the fees.

**CHAIR** - And in public policy terms, there is no legislation, for example, that says that doctors have to go and do CPD; that is their own issue. There is a medical board somewhere that would have -

**Mr GLANVILLE** - But they cannot practise unless they are members of the medical board.

**CHAIR** - Exactly, that sort of thing.

**Mr GLANVILLE** - It is a pseudo-legal requirement anyway.

**CHAIR** - Yes, it is.

**Mr GLANVILLE** - If there was a requirement that you cannot practise as a builder unless you are a member of HIA or MBA, then I totally agree that the law is not required.

**CHAIR** - So one in, all in?

**Mr GLANVILLE** - Yes, a level playing field. That is as much for the consumer as anyone.

**Mr BOOTH** - How does a defective CPD system do anything for a consumer other than adding costs to the building? A bloke who has learned how to eat pizza and drink beer is hardly going to make a better builder as far as the consumer is concerned.

**Ms WHITE** - Some the evidence we have received suggests that for more experienced builders perhaps there should be a sliding scale so they do not have to accumulate as many points. For instance, there can be a gradient such that your CPD points are linked with the level of building qualification you have. Do you see scope for that to be introduced?

**Mr GLANVILLE** - That makes a fair bit of sense. If you were to talk to a 50-year old builder who has been building houses for the last 30 years, if you go along to a CPD point, he is probably going to know most of that. He needs to do something because the BCA and sustainability, all these things, are coming. But, yes, I think a graduated model certainly has some merit, and the more qualifications you have maybe that helps by reducing the CPD you have to do as well.

**Ms WHITE** - Also it makes the training relevant because if you are a new builder you are learning new things and changes in the act and sustainability with the new codes for six-star rating, for instance, but as you get more experienced you do not do as many courses. So it still retains its relevance because you are only getting updates on the act rather than going and doing a first-aid course, for instance, that you have already done five times.

**Mr GLANVILLE** - That is right.

**Ms WHITE** - So that is how you achieve relevance in CPD.

**Mr BOOTH** - Yes. There was also a suggestion that there be graded levels of inspection, so that an owner-builder, for example, might have six inspections whereas a fully qualified builder and probably someone like yourself or people in that circumstance might self-certify most of their work. They might just have a footing inspection and a final or a or something like that. An electricians self-certifies, for example.

**Mr GLANVILLE** - I am still in support of the inspections that come.

**Mr BOOTH** - For everybody?

**Mr GLANVILLE** - Yes. We have 42 staff and we probably spend close to \$100 000 a year on training our staff, but there is still the odd mistake that comes through that does not get done. We are only one element of a building; there are still all the subtrades you

have there. So as much as for the consumer as anyone, the mandatory inspections are a plus, that double check that needs to be there.

**Mr BOOTH** - So should there be more inspections for an owner-builder, then?

**Mr GLANVILLE** - Yes; I think the level we are at now for a professional builder is right. For an owner-builder I think it should be more onerous.

**Mr BACON** - Do you think inspections are a better way to protect the consumer than the accreditation of the CPD?

**Mr GLANVILLE** - I think they go together. You cannot replace one or the other; they do a different role. The CPD is targeting the key person within the business, whereas the inspections are looking at each project. So in that way there is protection for each of the consumers, whether or not the head contractor is working on that particular job.

**Mr BOOTH** - But for a cottage builder, for example, who does their own work, those inspections are the only check and balance in the building project as far as the consumer is concerned. If it gets rejected at a footing level or a frame inspection or a final, then obviously the work is not built to the BCA, not built to the standards.

**Mr GLANVILLE** - That is correct, so to take that out of it, from a home-owner's point view, would be fraught with danger.

**Mr BOOTH** - Notwithstanding whatever CPD you have done or whatever you are, if you do not do compliant work then it has to be blocked at the inspection stage.

**Mr GLANVILLE** - But inspections only deal with the physical building; being a builder entails a lot more than that. There is the contractual side of things. If you are quoting something, what should you include or not include in the quote. That will not be picked up just by doing inspections through the process.

**Mr BOOTH** - No, but work compliance?

**Mr GLANVILLE** - Work compliance they deal with, yes, but they do not deal with the other aspects of business.

**Ms WHITE** - With the Tasmanian Building and Construction Industry Training Board, through your contribution each year do you get training through them that you find is useful for your staff?

**Mr GLANVILLE** - Yes. We use them regularly to try to get some money back. That only ever covers, though, the course fees and a portion of them. You never get anything back for the time that your people spend in the course. I do not know the answer to that. You either choose to train your people or you don't choose to train your people, I think. We choose to. I think the board is a good idea to encourage builders to spend money on training because at least some of their course costs are recovered.

**Ms WHITE** - Regarding the costs you put out each year to cover the levy that is paid, do you feel that the training you receive gives you value for the money that you spend?

**Mr GRANVILLE** - I guess there is a technicality there in that we do not spend that money. The client pays the money on the training because it is built into their cost. I imagine a client may argue whether or not they are getting value for money in the training. I think they do a pretty good job with managing the money they have and trying to get it around so that it encourages as many people as possible to do the training.

**CHAIR** - They are spending a lot of it on apprentice acquisition.

**Mr GLANVILLE** - Well, you have to.

**CHAIR** - That is right. That is what I am saying. There is as much spent on that as there is on training.

**Mr GLANVILLE** - Does the TBCITB fund anything for apprentices, though?

**CHAIR** - Yes, acquisition packages.

**Mr GLANVILLE** - Oh, the \$4 000. Is that part of their jurisdiction.

**CHAIR** - Yes, it comes out of your training money.

**Mr GLANVILLE** - Oh, okay. I was not aware that was part of that money. I guess it has to come from somewhere but if that is where it is funded from then all well and good. I thought that was from Federal, part of their national policy.

**CHAIR** - Yes, I used to too and I was surprised to find that it was coming out of the training thing. However, the industry that pays it essentially is very happy with that.

**Mr GLANVILLE** - The TBCITB certainly have always administered it but I just presumed that that was national funding that we got. So that all comes from 0.2 per cent that goes on it.

**CHAIR** - Your clients are paying for it, but a large percentage of it is supported by owner-builders who get absolutely nothing of that and there could be a little problem there.

**Mr GLANVILLE** - Well, maybe that is compensation for them doing that.

**CHAIR** - Being an owner-builder, yes.

**Mr BOOTH** - Why do you think with all of these accreditations, CPD and insurance the cost of building has gone up by probably 100 per cent in the last 10 years?

**Mr GLANVILLE** - Our industry is a little bit funny down here; the ratio between head contractors and subcontractors is a bit out of whack. There are too many head contractors compared to the subcontractors. Realistically we all know within the industry that the subcontractors control whether you win or lose work. If you look around, there are more subbies with flash boats and flash cars than builders. It is a joke that is well known. You have only got to look at Queensland. If you go to Queensland, you get tiling supplied and installed for about \$50 a square metre. Down here it is \$70 to \$75 a

square metre. It is the same stuff. For bricklayers in Perth it is \$500 a 1 000; here it is \$950 to \$1 000 a thousand.

**CHAIR** - And you can't get them.

**Mr GLANVILLE** - And you can't get them, even though they are making twice as much as they would make in Perth. The stimulus package that has been around for the last couple of years has only exacerbated that situation. The really bad thing about that was it brought mainland builders down to Tasmania because there was not enough work up there. It did not bring any more subbies so now what we have is the subbies are making more money, the builders are not making any more because we are fighting against the mainland builders who have come down here with a philosophy that they just want to win work.

**CHAIR** - Bigger boats for the subbies.

**Mr GLANVILLE** - Yes, and that means that the whack is even worse, and over the next 12 months I think it is really going to affect the industry quite badly.

**CHAIR** - So we are into a really important area here, and we have not gone here before, of market conditions, cost of building operations and the cost of building supplies. We are aware from a submission from a quantity surveyor that Rawlinsons Guide shows a considerable price difference between Tasmania and Victoria. I suppose if we went back to the quantity surveyor we might be able to break down, but you have already mentioned concrete, for instance, and that as a base product has pretty scary numbers. You were saying how much more you have to pay here. I am aware from a mate who is getting a warehouse built that concrete tilt-up panels, for instance, in Tasmania are horrendously expensive.

**Mr GLANVILLE** - Concrete is a base product.

**CHAIR** - That is right, but the quantity surveyor suggested that there is too little competition in that in a small island like Tasmania. Are there any other areas that you can point us to? You have given us tiling and brickies.

**Mr GLANVILLE** - Glazing is an area where there is very little competition from a commercial perspective. I don't know enough about the residential glaziers to comment on that, but from a commercial perspective there aren't many glaziers. I know for a fact that the total amount of turnover for average is about \$15 million to \$18 million commercially and they have to do three times that in this 12-month period. Inevitably the outcome is that somebody will be putting their prices up and people will have to pay it.

**CHAIR** - You mean they have to do three times that in order to meet demand?

**Mr GLANVILLE** - Yes.

**Mr BOOTH** - The demand down here or nationally?

**Mr GLANVILLE** - Down here.

**CHAIR** - Where can you steer us where best we might get a decent list of key marked differences, where we can say, 'That's a strange market condition'? For instance, concrete to me doesn't sound right.

**Mr GLANVILLE** - Down to an elemental thing or a trade thing?

**CHAIR** - You're suggesting glazing is one we could look at and that concrete is another.

**Ms WHITE** - In materials.

**Mr GLANVILLE** - If I was to take a guess I would think most of the sub-trades probably would have a higher factor than the mainland. There's a lot more competition subcontractor-wise on the mainland. The mainland builders have a philosophy that they will win a job and screw one subcontractor because there is another one around the corner knocking on their door. I don't agree with that philosophy because I think morally that's not right. The fact that they can do that probably is a reflection of where their subbie market is compared to ours. You couldn't do that here. You do that to a subby here and you virtually wipe 25 per cent of the people who might price for you and you take yourself out of winning a job.

**Ms WHITE** - Could you clarify, please, subbies - you're talking about carpenters, bricklayers, electricians?

**Mr GLANVILLE** - Subcontractors that I'm referring to there are companies that you would engage to do a portion of the works. They would supply materials and labour to perform the electrical installation.

**Ms WHITE** - So they're not the principal contractor, you have subbies coming in?

**Mr GLANVILLE** - Yes.

**CHAIR** - They call themselves specialist contractors, but to Scott they are subcontractors.

**Mr GLANVILLE** - I think the other one you're thinking about, Rebecca, is subbies as in the day-hire carpenter. We don't use them very often; we use all our own people.

**CHAIR** - They are air-conditioning specialists, electrical companies, security, IT.

**Mr GLANVILLE** - Yes, all the stuff that inherently as builders we don't have in-house.

**CHAIR** - Tiling and rendering is one. So generally you are saying across the board they're fatter in their charges than on the mainland so that contributes?

**Mr GLANVILLE** - Yes. I don't have the answer because how do you force somebody to open a subcontracting company?

**CHAIR** - Exactly, it's a market condition, but it makes it all the more urgent to look for things that shouldn't be - such as government charges.

**Mr GLANVILLE** - An ex-business partner of mine went out of the building industry into one of the sub-trades and is making twice as much money as a subcontractor than we were making as a head contractor. I know for a fact that that's one of the aspects that affects it.

**Mr BOOTH** - Just to clarify that work you're talking about, that was commercial work in Tasmania you said was three times the normal amount?

**Mr GLANVILLE** - Yes, I think that's the figure I was quoted - two-and-a-half to three times, from memory.

**Mr BOOTH** - So where would those projects be? What sort of projects are you talking about?

**Mr GLANVILLE** - The Menzies Centre, the Eastlands refurbishment, the hospital. They would get their information from quantity surveyors and architects and people such as Cordell who have the building cost indexes and know the work that is coming up, know the percentage of glazing that's in them and they would be able to give a report to the glass and glazing association as to how much glasswork there is to be done over the 12 months and then they know how much each company turns over.

**Mr BOOTH** - It's not within this committee's remit, but talking to people outside this committee I find that there is a bit of doom and gloom about the amount of civil and engineering work that is supposed to be happening in Tasmania. It's like the sky is going to fall in.

**Mr GLANVILLE** - From a head contractor and civil I think we are going to be in for a pretty tough 12 months, but that's because there are more builders here now than there ever have been, but there are only the same amount of subcontractors. That is what I was saying before; I think the problem is actually exemplified now by the stimulus package and what it has brought down here.

**Mr BOOTH** - But also there is additional work to do over a normal year?

**Mr GLANVILLE** - No, I don't think there is additional work.

**CHAIR** - Those projects you mentioned are finished, like the Menzies Centre?

**Mr GLANVILLE** - Stage 2 is about to start.

**Mr BOOTH** - So what do you see happening in terms of your industry with the requirement for skills on the eastern seaboard and over in the mines? There is supposed to be a big shortage of skilled labour in the mining industry.

**Mr GLANVILLE** - We certainly had one of our staff members leave to go and chase \$300 000 a year working in a hole. I guess if that's what suits you then there is not much we can do about it. That was the message I gave him.

**CHAIR** - When you're young and silly.



**Mr GLANVILLE** - He is single, he's got no commitments, so go for it. You are right, that is the big market in Australia; whether it's Queensland or Western Australia they are making big money there. It hasn't really been a big issue to date, probably because the building industry primarily from Victoria northwards has been pretty ordinary in the last couple of years, whereas we've been good. One of the bad things about the stimulus was that they took a national approach of the stimulus package, as required, sent the same amount of money down to Tasmania, but we really should have been smart enough to spread ours over a lot longer period of time. It would have kept the mainlanders out because they would have known there wasn't enough here and we probably would have been able to deal with what is coming out this other end of the GFC. The Budget is not looking real flash, but I'm presuming that whatever money there was in building is virtually all spent because all the schools have everything they need for probably the next five years, I guess. Now it is up to private industry to pick up the slack that is not going to be there. I'd love to hear something different from the Government, but I don't think I will.

**CHAIR** - I don't think we are in a position to give you too much comfort. We can't even afford members of parliament.

**Mr GLANVILLE** - No, so I hear.

**CHAIR** - It is interesting to have someone here from the commercial building sector because an excess cost there filters down to everybody.

**Mr GLANVILLE** - It does, yes. The residential and commercial sectors are really not that far apart anymore. They both have a lot of rules and regulations with which you have to comply.

**CHAIR** - A 1000 square metre bulky goods warehouse with offices in it is dearest by a long shot in Tasmania compared to anywhere else in Australia.

**Mr GLANVILLE** - Yes, because the primary components are concrete and steel. It would be 15 to 20 per cent, around about that?

**CHAIR** - Yes, 25 per cent, so the business case for any retail development just gets knocked out of the market.

**Mr GLANVILLE** - We were talking to a mainland guy who wanted to put up a warehouse in Sorell. He put all his figures together based on mainland figures. He was horrified when he actually tendered it out down here. I filled him in on some of the reasons and he said, 'I wish I'd done my research first.' He went ahead with it. I had a quantity surveyor from Melbourne trying to get a feel on Tassie rates. They were significantly lower over there, so it does make a difference.

One of the other things that has a big impact, and this is more on the residential side down here, is the lack of really nice flat land. Even Launceston and Devonport don't really have large tracts of flat land that Melbourne and Perth have, which open themselves up for relatively cheap subdivisions that can be easily serviced by infrastructure. Our land development costs are substantially higher than anywhere else.

**CHAIR** - They are.

**Mr GLANVILLE** - That has a massive impact on our affordability from a housing perspective.

**CHAIR** - Development in Western Australia is in sand. They can do the drainage in a week.

**Mr GLANVILLE** - You grab a structural plan off the shelf, put it down there, that's what you're building, whereas every single one of ours has to be custom designed because the soil varies, and the slope of the land, and rocks. All these costs are necessary to protect what has to be built, but they are all different. They don't have to pay them on the mainland.

I did hear the Government is looking at a planning review?

**CHAIR** - Yes.

**Mr GLANVILLE** - There was some talk about limiting peripheral subdivisions and promoting in-fill housing to try to gain the most from the infrastructure that we already have in place.

**CHAIR** - That comes up regularly. It has been a planning ideal because you already have the infrastructure.

**Mr GLANVILLE** - Yes. Our blocks of land are larger than most of the other cities already, especially in some of the northern suburbs areas. It is a thing that we really have to look at.

**CHAIR** - And CBD first-level usage is all wasted yet all the facilities are there. We don't do that well in Tasmania, but again there are costs to it all. If you look at a CBD, the first thing they say is that they want a suspended concrete slab, so that knocks that out. You have to lift the roof off and do all that.

**Mr GLANVILLE** - That is right. What is the feedback from councils about their demands on developers? From what I have seen they tend to be putting a fair bit more onto the developers in getting the infrastructure up compared to the mainland.

**CHAIR** - Now that you have the three water and sewerage corporations they will soon all be doing the same thing. Currently, they are doing basically what the councils previously were doing. Hobart is charging quite steep developer charges, not too much on the north-west coast, nibbling away at it up north, but there will be substantial developer charges. For instance we heard today of a land development in Clarence where the developers paid about \$4 000 per block and obviously thought it was good value because they paid it, but that is a headworks charge. One would think there would be a flipside that, having paid that \$4 000, all the blocks would be completely pre-qualified to be built on within an envelope, but they are not. They still have to go through the planning scheme.

**Mr GLANVILLE** - Yes, and that is the bit that is ridiculous. If they are good enough to get subdivided then surely we can put a house there without any dramas. I know that, for

instance, down in Margate the council and Southern Water are restricting development down there simply because their infrastructure cannot cope with much more sewerage.

**CHAIR** - Yes, linear development.

**Mr GLANVILLE** - I am talking to people down there about the lifestyle, residential, semi-retirement villages that are quite popular these days. They are trying to put one of those down there and Southern Water are saying that you have to put in self-managed sewerage. You are talking about \$200 000 that has to be added to the development. All of a sudden it goes from, 'Yes, it's a goer', to 'I don't know'.

**CHAIR** - Which give a picture as to how bad the sewer and water utilities were in the south and elsewhere around the State.

**Mr GLANVILLE** - The southern beaches is a prime example. There has been heaps of stuff over the last few years about how bad that has been and that no money was spent on it.

There was one other point that I just wanted to cover. Support for people putting in apprentices does not seem to be very good. If you look at the numbers that have to come out of the industry and be replaced over the next 15 to 20 years, we have to employ a lot of apprentices to replace those experienced people.

**Mr BACON** - Is this financial support?

**Mr GLANVILLE** - Probably more that if we employ apprentices we should be given some advantages when it comes to how our tenders are assessed. Each company has their own right to decide whether they put apprentices on or not, but there are a lot of them out there that are not on a level playing field. The government training policy is not policed and is flawed because all it says is that you have to have  $x$  percentage of your hours done by an apprentice across the whole job. A builder who does not employ any apprentices can do one of two things. They can go out and hire apprentices from BGAS but as soon as they get their hours up they send them straight back - how good is that for the guy? - or they use all the subbies to get all their apprentice hours up.

**Mr BOOTH** - They use subbies who have apprentices?

**Mr GLANVILLE** - Yes, they demand that their subcontractors have a higher proportion of apprentices than they do. I understand it is the right of every company to choose whether or not they employ apprentices. It is the right of every company to choose whether or not they employ people. I can go onto another topic about the fact that there are too many sham employment arrangements out there which are not paying payroll tax. We compete against somebody who turns over more than us but who does not employ anyone; he has everyone on a subcontract arrangement. He avoids super and payroll tax and yet we cannot compete with him, but they get away with it.

**Mr BOOTH** - You are paying payroll tax?

**Mr GLANVILLE** - Yes. One of the great things that came out of it was that the rebate for apprentices was at least put back in. It would have been devastating if that was not there. Just for our business alone that would have been about a \$50 000 impost on top of it. As

an industry I really don't think the Government has a grasp on how important it is to look after the industry's future and that not everyone out there is trying to do it. Some are trying to do it but the others aren't; they are just dodging along in between the system.

**CHAIR** - Thank you very much for your time.

**THE WITNESS WITHDREW.**