

**THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET  
IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON THURSDAY  
16 AUGUST 2007.**

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**INQUIRY INTO THE ADMINISTRATION OF THE CROWN LANDS (SHACK  
SITE) ACT 1997.**

**Ms DEENA PALMER**, SURVEYORS BAY SHACK OWNER, WAS CALLED, MADE  
THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mrs Smith) - Thank you, Deena, for your submission and for coming to give verbal evidence this morning. It is appreciated. We will ask you to comment on your submission and to add anything extra, if you wish, on what is a very in-depth submission. Then members will ask some questions to clarify any issues they have.

**Ms PALMER** - I have made a list, because I thought I wouldn't remember them all. I think probably one of the biggest things from our point of view is that there have been a number of delays within the process. This has caused a significant blow-out in the time frame of the project. Some of those delays, we believe, possibly were caused by some of the procedures or processes within the shack site project department. We feel that some of those delays have caused us to be unfairly treated in the process as well.

**Mr STURGES** - Madam Chair, am I able to question or should we listen to the list first?

**CHAIR** - If you don't have a problem, Deena, I will allow interjections because it will allow members to focus on the issue you are talking to at the moment. Are you happy with that?

**Ms PALMER** - Yes.

**Mr STURGES** - In other evidence we have received in relation to this matter procedures and process tend to be common theme. Could you elaborate a little on what sort of breakdown or issues you had with the procedures and process - communication, administration, whatever it might be?

**Ms PALMER** - I think probably the communication. We were getting quite regular communication with quite definite time frames of when things were to happen within the project, but they just kept blowing out. I think probably the one that was the most significant to us was that there was an issue with some applications being made to put in a sewage treatment plant and the roadway, so they were infrastructure applications. They were held up and we couldn't get a definite answer between the shack site project and the Department of Aboriginal Affairs as to where the forms were. We know that there was a form that was to be filled out and it needed to be finalised. It just kept going on and on. There was an evaluation done for Surveyors Bay and Little Roaring, because those projects were to happen at the same time. The evaluation was done in March 2004. With the delays in getting these forms processed and getting the infrastructure approved the 12 months went past, so then those valuations weren't valid any more because they

obviously only last for 12 months. Once the approvals were received, they put out tenders to do the infrastructure works but there were still hold ups with some of the process at Surveyors Bay. Little Roaring was done as a separate issue within the time frame, so they still got that valuation at March 2004. But, by the time ours were done, the valuation of our block had doubled in cost to us.

**Mr STURGES** - From?

**Ms PALMER** - From March 2004 to November 2005. Also, we have looked at the value of our block against the value of another block, not that you can compare the two blocks - we understand that - but the valuation for our block in March 2004 was \$70 000 and the other block was \$60 000. Then when the valuations were done in November 2005 our block was \$150 000 and theirs was \$155 000, so it looked like they weren't being valued the same way.

**CHAIR** - The methodology should have been the same for all of them. You show on page 4 of your submission lot 5 and lot 12. Yours is lot 5?

**Ms PALMER** - Yes.

**CHAIR** - Lot 12 is another block and there is information on that. You spoke about the paperwork loss, that was the issue between the shack sites project and the Aboriginal heritage department and the fact there had to be some forms put in but somewhere in the system -

**Ms PALMER** - We know that the forms were being filled out by the shack site project and there was a meeting at Surveyors Bay in September 2004. We were allowed to go as observers. We weren't introduced to anybody, but I have been able to piece back who I think the people were who were there. I think, from our point of view, that was an issue right the way through the project, that we didn't feel we had enough contact and we weren't able to have any say or input. It just felt as though we were excluded from the whole process, apart from having to pay the money at the end.

**CHAIR** - They invited you to the meeting - and this is the meeting in September 2004 where there were members of the shack site project, Aboriginal Affairs, Tourism and Parks, Heritage and Arts, Aboriginal Land and Sea Council, Pitt and Sherry and the contractors - to come and listen, but they did not look for a representative around that table to make some comment on behalf of the shack owners at all?

**Ms PALMER** - We knew that the meeting was going to take place and we asked if we could go and we were told we could go as observers, which we did.

**CHAIR** - Was the meeting of any value to you? Did you gather some insight into what was happening?

**Ms PALMER** - Yes, because at that meeting - I think it was Brett Noble from the Aboriginal Affairs who spoke to Vicky Shilvock from the shack site project and told her that she hadn't filled out the form properly. He had previously told her he was happy to help her do it and he reiterated that he would be happy to help her fill out the form correctly so

that it would be processed. To us, that appeared to be the stalling point that was holding the whole thing up.

**CHAIR** - So we had a member of the shack sites project committee who had filled in the application to install the waste treatment system. The application form was quite clearly faulty -

**Ms PALMER** - That was my understanding.

**CHAIR** - but it was only at that meeting that this conversation showed that it must have been faulty in an area of Aboriginal heritage, if it was the manager of that department who offered to help fill it in. We will be able to track that in some of our investigations, as to a case of one area not talking to another area. Communication wasn't any better than it was with some of the shack sites' owners, quite clearly.

**Mr ROCKLIFF** - Ms Palmer, you mentioned the delay caused by the redesign of the infrastructure several times. Was that just the sewerage and road?

**Ms PALMER** - We assume so. Again, I can only go on the information that was given to us. That is what we were told, that there were issues with the sewage treatment. To be honest, the issues still haven't been resolved because the treatment plant is still not functioning as it should. The Huon Valley Council and the shack sites project are still having issues now.

**Mr ROCKLIFF** - When you say it's not functioning as it should be, it's not working?

**Ms PALMER** - It stinks, basically.

**CHAIR** - We had some written evidence that the Huon Valley Council had refused to take it over because it wasn't operating properly. We have had further evidence following that that the issues had been sorted and the Huon Valley Council now have responsibility for it. Is that your impression?

**Ms PALMER** - I understand that there are still ongoing discussions. I know that they have made some modifications to the system. I saw in the paper a couple of weeks ago when the Huon Valley Council was advertising its rates that, as part of the charges for Surveyors Bay, there are repair costs to the sewage treatment plant. So I am assuming that, if we are paying that, they must have taken responsibility for it.

**CHAIR** - Yes, they couldn't charge you a rate, I wouldn't think, until they had accepted responsibility.

**Ms PALMER** - They still had the sewerage on the rates notice last year as well, but we received a remission of that because they didn't have responsibility at that stage.

**CHAIR** - You made comment on page 3 that there had to be some rezoning for three shacks. Are you aware of the rationale of why three shacks had to be rezoned? The others, quite clearly, must have been in a residential area. Were these three in a different area?

**Ms PALMER** - Yes, I think some of it had been previously zoned 'public open space' and they had to get that rezoned so that it was 'residential' so that they could take over that part of the land. I think the other shack was not on crown land and there was some issue with access getting to two of the shacks. I think they were looking at compulsorily acquiring the land to allow the two shacks at the end to have access. I am not sure whether those sales have gone through at this stage. Because they didn't have access they couldn't sell those blocks.

**CHAIR** - Was there any reason why the other shack sites could not have been sorted if these were specific reasons in rezoning? Were there any reasons why everybody had to be held up because of three shacks being rezoned and an issue with the private property?

**Ms PALMER** - I think, as it has turned out now, as we have settled and they hadn't settled when I last spoke to them, then obviously they decided it wasn't an issue and they were able to settle on some but not others.

**CHAIR** - So I could make a presumption that in the early days they attempted to say, 'We will do all Surveyors Bay at the one time' and they found, as they worked through it, that the rezoning et cetera was going to take longer and it appears they made a decision, 'We will do the shacks we can and deal with those issues that are further out as we go on'.

**Ms PALMER** - After I had sent the submission in I realised that I had not sent the photos referred to at the end. They show some of the issues that we have had with erosion. I also brought a copy of a photo to show you the fire tanks, which we believe has been a ridiculous situation that has been put upon us. Originally we were told there would be two firefighting tanks situated along the beach and that they would be in positions that the Tasmania Fire Service were happy for them to be in. Then, all of sudden, that process was canned and we were sent a letter to say that we were going to have an individual tank.

**CHAIR** - Were you given any reason for that because we are aware, from evidence, that in other areas they have all contributed to a large-sized fire tank that would quite clearly service the shacks in the area? Has there been some rationale given to you for that?

**Ms PALMER** - In one of the phone conversations I had we were told that it was all getting too hard and they didn't think that we would be prepared to look after a pump, or pump equipment, to pump from their two big tanks and therefore they decided it would be better if we had a tank each and each shack owner would be responsible for that. But nobody had actually talked to us. We all belong to a Coastcare group at Surveyors Bay and we get on quite well; we are a fairly close community. I haven't spoken to them since but I don't think it would have been an issue at all for us to have dealt with the two tanks, if we had been allowed to have them. From our point view it would have been much better. The blocks aren't that large and we've got these very ugly, plastic tanks in the middle. It has changed the whole atmosphere as you drive through; it just looks like an advertisement for Tank City. It's not very pleasant.

**CHAIR** - It reminded me of a series of little dunnies along the side.

**Ms PALMER** - That's exactly what it looks like. They're awful.

The other thing with the tanks is that they are locked and Tas Fire Service has to come and unlock them and hook up their pumps. The closest fire station is probably 20 to 25 minutes away, so the shack would be burnt down before anybody got there to do anything with it.

**CHAIR** - Who is responsible for maintenance of the pump on each tank?

**Ms PALMER** - There is not a pump on each tank.

**CHAIR** - So it is just automatic into the hose?

**Ms PALMER** - Yes, the fire service obviously have some sort of pump on their truck, I presume.

**CHAIR** - So even though the pump is on your property, you do not have a key as well as the fire service?

**Ms PALMER** - No, there's no pump -

**CHAIR** - No, the tank.

**Ms PALMER** - The tank has some sort of locking on it and we don't have a key to that.

**Mr STURGES** - So you can't access it?

**Ms PALMER** - No.

**Mr STURGES** - That's a bit impractical.

**Ms PALMER** - In all seriousness, the salt water is less than 100 metres away. We have enough hose and if we use our pump and hose it down with salt water we wouldn't be waiting 25 minutes for the fire service to turn up.

**CHAIR** - I can see the rationale for locking it in shack site areas because some people may access the firefighting water to utilise on other issues but I would have thought, as it is on your property, that a key for the owner of the property would have been a reasonable thing.

**Ms PALMER** - If you have a look at the Tas Fire Service web site, where they wanted to put the two big tanks, we measured it out and I think it was within an inch of the length of hose, or whatever it was, so it would have fitted. They were on areas where there was previously a shack, so there was big cement base already there, so it would not have been disturbing groundworks. The other one was on the public reserve, which again had previously been disturbed. So it wasn't as if we wanted to put them in areas where it was sensitive.

**Mr STURGES** - But that was never contemplated; you were never given the opportunity to put that?

**Ms PALMER** - That is where we were originally told they were going to be and then all of a sudden we got a letter to say, 'No, it's not, you're going to have one each. Which colour would you like?'

**Mr STURGES** - Green or green.

**Ms PALMER** - Or blue - some of them are blue

**Mr STURGES** - If I could digress to the issue of finance, and I do understand from your submission and other submissions that the time delay and the consequential land valuation change has increased your cost, but I do note the comment you have made about accessing the 10 per cent discount. Were you able to get the 10 per cent discount?

**Ms PALMER** - Yes, we were.

**Mr STURGES** - That caused some inconvenience with regard to investments? Without getting into your personal financial situation, I think it is a relevant point you make that hanging on and hanging on, you would only be able to invest short time on the basis of -

**Ms PALMER** - Personally that was not an issue for me but I know that for quite a few of the other shack owners it has been. Some people made some quite large life-changing decisions based on the time frames they were given for the process to take and then it did not happen the way it was going to happen. Some people sold property to retire to Surveyors Bay and sold probably before the boom in the real estate and if they hadn't been in such a rush, thinking that they were going to have to buy the shack so soon, they probably wouldn't have chosen to do it that way.

**CHAIR** - Your argument is they could have captured the boom on the sale of their property to assist them with the increase in the valuation of their retirement home.

**Ms PALMER** - Yes, that's right.

**Mr STURGES** - It didn't go simultaneously, though.

**Ms PALMER** - No. Following on from that, the road infrastructure still has not been done at Surveyors Bay. Obviously the Huon Valley Council has been given that money. In our case, we have borrowed money to pay for our shack and now the Huon Valley Council has it in its trust fund, I assume earning interest on it. We had notification from them to say that it is not on their agenda and they have no idea if or when it will ever happen.

**CHAIR** - Are you totally aware that the council has received the funding from the department?

**Ms PALMER** - We were told by the department that they were given the funding.

**Mr STURGES** - What was the component that you paid for the road infrastructure?

**Ms PALMER** - I think it was about \$45 000, but that was ordinary infrastructure.

**CHAIR** - 'Exceed \$45 000 for the infrastructure costs' - page 7. Your infrastructure costs would have been your contribution to the waste, road infrastructure and the firefighting tank. Are they the three components?

**Ms PALMER** - Yes.

**Mr STURGES** - So the sewage treatment plant is not working, the roadwork is not done and you have lovely green and blue tanks?

**Mrs BUTLER** - And there is erosion.

**Ms PALMER** - The erosion is becoming more of an issue. As a Coastcare group we have had consultation with Healthy Rivers and those other people to give us some idea of what to do to fix some of the erosion. We have planted plants and put in some of the mesh netting et cetera, but we have had a couple of big storms and they have washed it all away again. In the case of some shacks they have had probably 2 metres of their blocks washed away.

**CHAIR** - These are private blocks? These people have title to those blocks where this erosion issue is affecting them?

**Ms PALMER** - They have title to them now.

**CHAIR** - Do you have an opinion on how it should have been dealt with before they got private title or as part of it?

**Ms PALMER** - I think as part of the revaluation process we asked for the blocks to be revalued. I think they did take into consideration then that there has been and is likely to be more erosion on some of the blocks. I think that issue was addressed.

**CHAIR** - And that the mitigation issues will now be with the private landowners rather than the Crown, as it was in the past?

**Ms PALMER** - Yes.

**CHAIR** - Did you request a revaluation?

**Ms PALMER** - Yes.

**CHAIR** - Can you walk us through that? Did you have any difficulties when you requested the revaluation? Whilst a lot have said, 'We weren't happy', I do not think they were quite game to push it out further by looking at revaluation. I am interested to hear the process of your request and how it was dealt with.

**Ms PALMER** - At the beginning, when the project first started and we had the initial meetings, I think if we had had a better understanding of where we stood when we were first given those documents we would have put in an application to have the process reviewed then and there. We were quite frightened, I think, that there was the opportunity that our shacks were not going to be given to us or that they would be removed. That was hanging over us and I think it has been a concern of us all. We had

been told at the beginning that they would probably be \$30 000 or \$40 000 - that was back in 1998 or whenever the first meetings were held - and then when we finally got our valuation it was \$150 000. I think we nearly fainted so that is when we started to look into it and we got the March 2004 valuation under the Freedom of Information and that was half so we thought if it had doubled in such a short space of time we felt we had nothing to lose by asking for the revaluation.

But we were told that they could only revalue the land based on the same criteria that they had already used and that, really, we were probably wasting our time because the valuation had been done by the Valuer-General and that is what it was. But we did not accept that because we felt that it had changed too much and there was a lot at stake.

We had meetings with the department and they said we were entitled to have it revalued so that is what we asked and they also gave us some additional time because once the offer was made we only had 30 days to get back to them and say, 'Yes, we want it', if we wanted to get the discount. But we asked for and were given an extension of time to prepare a submission for the revaluation and then we did not lose the discount opportunity.

**CHAIR** - So you were happy with the way the department dealt with it when you actually requested a revaluation?

**Ms PALMER** - Yes.

**CHAIR** - This committee is looking at what has happened in the process and the lesson to be learnt is one of the big issues, of course. If there is a request for a second valuation, perhaps there should have been some capacity for it to be done externally by a totally independent valuer. Would you see that as an advantage in your instance?

**Ms PALMER** - Yes, we did that as well.

**CHAIR** - You had one of your own, I note, and there are some differences, but that doesn't allow any argument under law for the second valuation.

**Ms PALMER** - No, we understood that.

**CHAIR** - We are looking to improve the system. It is something that is floating around now but perhaps on request, if it is a separate valuer who does it, then at least it is reviewed transparently - it is not a case of me reviewing myself, I suppose is what I am saying.

**Ms PALMER** - I think it obviously was a different person who did the valuation the second time. To start with, when we first spoke to Lorraine from the Valuer's-General's office, she said, 'It's already being done. My method is not going to be any different. It will be the same. You're wasting your time'. We had several meetings with her over the course of her coming to look at the shack. Once we were able to explain to her some of the issues that we felt were relevant to our area that she may not have been aware of, I think she became more open to the fact that maybe the valuation wasn't necessarily done to the best outcome originally.

**CHAIR** - Am I getting an impression from you that the valuation department may have used the same methodology over all the shack sites, regardless of the specific areas and their intricacies that are different around the State?

**Ms PALMER** - I am not a valuer so I do not know exactly how they do it, but I would imagine you would need to take into account some of the things that go on. You cannot always see that by just going on a particular day at a particular time of the year. Things can be quite different. If you go in the summer, the area is probably quite different from what it is if you go in the winter - with general weather conditions et cetera - so I assume that that would have to have some impact on it. I think communication is a huge thing that has been missing from the whole process.

**Mrs BUTLER** - Could I follow on with the line of restricted covenants? What do you think about those?

**Ms PALMER** - At the moment I think the way it was written the council still can come in and put covenants on the blocks, even though they are signed, sealed and delivered. I find it a bit odd that they can come and make more restrictions on our use of it. Another issue is fencing.

They are not wanting us to fence in any way, shape or form. We can apply to have fences put up if we want to, but I feel that now that they have become private blocks and we have paid for them, maybe we should be able to use them in a way that suits us a little bit. We don't want to block access to the beaches and not let people go there, that is not the issue, but if you have small children and you want to keep them in, we felt that perhaps they were a bit restrictive.

**Mrs BUTLER** - 'And no right to compensation or reduction in the purchase price' - there was a waiver in there for any future compensation.

**Ms PALMER** - Yes. If our block now washes away, it is tough luck.

**CHAIR** - You would accept, if I play the devil's advocate on behalf of the department - that is not usually my role - that if the department had come down and said, 'We're sorry but we will only guarantee four- or five-year leases because of the possibilities of blocks washing away et cetera', the community would have been more disturbed because they were looking for private title in preference to lease or remove?

**Ms PALMER** - Yes.

**CHAIR** - So it is a substantial amount of money risked by all those individuals, but you still see it as a better advantage than a lease option or a remove-your-shack option?

**Ms PALMER** - Yes.

**CHAIR** - Since you received title, has there been any indication from any department or council of a proposed covenant on any titles, to your knowledge?

**Ms PALMER** - No.

**CHAIR** - So we hope that is put there in case there are environmental reasons they may need to do something into the future to protect the environs of the entire area.

**Ms PALMER** - Yes.

**CHAIR** - We have a lot of information. The submission was exceptional and you covered not just your own site but the entire area. We could capture exactly the story of Surveyors Bay from your submission. It has been of significant advantage to this committee that you took the time to come in and progress further some of the points in your submission. Are there any other comments you would like to make?

**Ms PALMER** - No, I don't think so.

**CHAIR** - Thank you very much for coming along. We are exceptionally grateful for the time you have given us because it will allow us, hopefully, to put forward a report to Parliament with some recommendations.

**THE WITNESS WITHDREW.**

**Ms LYNETTE BENDER**, SURVEYORS BAY SHACK SITE OWNER, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mrs Smith) - Thank you for your written submission and for giving up your time to come to educate the committee by some conversation this morning about the issues that surround the Surveyors Bay area. We have over the last couple of days heard some interesting stories of the shack sites project and its management throughout the State and we hope at the end of this process, whilst it is to some degree too late for those who have been through what is quite clearly a stressful process, we learn lessons from it. At the end of the process we will present a report to Parliament and undertake that you will get a copy because of your presentation to us. So we thank you for your time this morning. If you would like to speak to your submission and make comments, members undoubtedly will then want to progress some of those issues with you.

**Ms BENDER** - Okay, so I can talk about what I put in my submission?

**CHAIR** - Yes, thank you.

**Ms BENDER** - Is it okay if I put a couple of other little points in that I might have missed?

**CHAIR** - Yes, expand on it in any way if things have changed since the submission came in et cetera. That is the value of the conversation; it allows you to bring us right up to date if there is anything further to report. You can expand as much as you like.

**Ms BENDER** - In December 1997 my husband and I found a lovely shack at Surveyors Bay. We could afford it but we were a bit worried about what the outcome might be with the land because we were told that regarding the people who have had shacks for long periods of time and have had leases, that would not happen with this particular shack because government was in the process of selling the land. We knew we could afford the shack but we weren't sure about the land and what it might be, so we made lots of inquiries and we were looking at about \$40 000 to \$50 000 - closer to \$40 000 - so we went and purchased the shack. We purchased it in December 1997 - it was over the Christmas break, so January 1998 was when the deal was done. We had a letter from David Llewellyn that it would be completed in September 1998 - this is the purchase of the land. We had to look at how we would get that money. It would finish in November 1999; that was the latest date it would take. We were told that Surveyors Bay was the pilot scheme. We have newsletters from the shack sites project team to confirm those facts.

We had to organise financial affairs then because we knew that once it was finished in November 1999 we would have to have the funds available. We put land on the market but we didn't sell it until 2001. We weren't required to pay it because it was dragging out of all proportion. I was leaving all of this to my husband to sort out and he got cancer. So through all this ordeal it was left to me. He passed away in 2001 and I was left with selling land to try to get this \$40 000 or \$50 000. I sold the land and was ready to pay for the shack land, thinking it was \$40 000 or \$50 000. Of course years and years went by and it was dragged out and, as you will read in my submission, there was lots of

bungling and issues that were too insurmountable to me to deal with. But we did, as a family, because this is what my husband wanted for his family.

Having organised our financial affairs, we were ultimately given notification of a sale price and land value on 22 November 2005 of \$160 000. This was an immense shock to me, having been told earlier what to expect. In the meantime, a very major property boom occurred in Tasmania. Shack owners had been forced into paying prices far in excess of what they should have had the process been finalised in 1999, as indicated by the Honourable David Llewellyn. I wasn't the only one who sold a property to come up with the funds; there were others. We decided then that we would get together as a group and get independent valuations. Brothers Newton were the people we hired and their valuation was a bit over half of what the Government gave us the invoice for. We went to freedom of information to find out what the Government valued our land at, having given us an invoice for \$160 000. The freedom of information - and I have the papers here - price is \$73 000. We found that out only through freedom of information.

Through all this I have been very severely financially disadvantaged, as you can imagine, being told \$30 000 to \$40 000 and I then get an invoice for \$160 000. It is the monetary thing that really worries me, the amount I finally had to pay. Through our long processes with the government valuer we were given a reduction - and I think it was down to about \$109 000 - and then we received 10 per cent off the land value. I ended up paying \$104 000. This to me is still way in excess and I am severely, financially disadvantaged.

Besides this, we have had a lot of other issues. I have paid the funding and it included the building of a road, which is still not done. It is not even planned to be done. I rang the Huon Valley Council and they said that at this stage there is no plan for the road to be done. There are delays and all sorts of things. Our money for that road has been given to the Government and someone is holding that money. We could still be getting interest from this money. So someone has our money and we don't have a road and I think it will be several years before we do. We have to fight now to get the road, yet someone has our money.

**CHAIR** - We did have some evidence presented earlier that they believe the Huon Valley Council has the finance for the road in a trust. Do you have any information as to whether that may or may not be correct?

**Ms BENDER** - I believe that is so, but I don't have a piece of evidence to show you. But there is no road. We have paid for the road. I don't think the State Government should have asked for that money for the road. You shouldn't have to buy something that is not there. We could still be getting interest on that money.

There are other things, too. The sewerage system is not working. Before my husband passed away he was working on this whole project. My son is an engineer and he worked out a very good sewerage scheme and it would have been excellent but they didn't do it. They did their own scheme, which is not working.

**Mr STURGES** - Who is 'they did their own scheme?' Is that Pitt and Sherry or the council?

**Ms BENDER** - Pitt and Sherry, as far as I believe. We have a sewerage scheme that is not working and they say that it relies on people being there and using it to flush it through.

We have all laughed about this. They said it relies on 'offerings' and we said, 'We can only offer when we are there'. It is a shack site. How are people going to be there? To us, it is bungling.

**Mr ROCKLIFF** - So your son who is an engineer came up with a scheme. Did you approach them with his scheme and see if that was the way to go?

**Ms BENDER** - My son is the general manager of Norske Skog and he and my husband did this scheme. My husband was a building supervisor and he knew a bit about all this sort of thing, but he passed away quite early in the process. I am quite certain that the stress contributed; I know how he was starting to fight for this because he was told that the top price was \$40 000. He said, 'We can buy this shack because we have the purchase price and we'll sell some land and get the \$40 000'. We based our financial affairs on that. My husband never knew it was \$160 000 because it came in soon after he passed away and it was left to me to sort out. I know I shouldn't say this but I am speaking very honestly, I wanted to go to the media with this story but the 13 shack owners always subdued me - probably a good thing - and I still do want to do that because I find it very wrong. I find it quite corrupt, actually, I really do. To be given something and you purchase it on that understanding, and the honourable David Llewellyn said, '1999 is when you will get your sale agreement'.

**Mr STURGES** - Sorry, have you attached that letter?

**Ms BENDER** - No.

**Mr STURGES** - Would you be prepared to table that letter today?

**Ms BENDER** - No, I do not have it but I can get it.

**CHAIR** - We do have a copy, in another submission, that actually is attached the minister's letter with no date that lists when all these things will happen.

**Mr STURGES** - Yes, I remember that. I think it would still be good to supplement this or complement this submission.

**CHAIR** - If your letter is dated, we would appreciate it if you could forward us a copy.

**Ms BENDER** - Where he said that he would complete in 1999?

**CHAIR** - Yes.

**Ms BENDER** - In the meantime, there was an article in the *Mercury*, headlined 'Shack sell-off delay proves a bonanza to the State Government'. They had said early on that they would get \$4.3 million from the sale of all crown land in Tasmania. They made \$2 million from Surveyors Bay so there it is - \$4.3 million for the State Government from the whole of Tasmania. I would really like to find out ultimately - and we will still work on this - what they did make because they made \$2 million from one little beach with 13 shacks.

**CHAIR** - We have had the department in and had some figures in front of us as a starting point and we will progress through that at the end of the public hearing.

**Ms BENDER** - So that shows you what the land boom did and it shows you what happened to the poor humble shack owner who sold land and invested that money. When it came to 2005, my land would have been three times as much.

**CHAIR** - Since you got title to your property, has there been the ordinary revaluation in the Huon Valley area?

**Ms BENDER** - I do not know.

**CHAIR** - We have had some instances where people have bought shack sites and paid astronomical prices but the valuations, generally, that have been in the area have shown that their valuation now is much higher. That makes them asset rich but it does not put money in their hand to continue their lifestyle from day to day at that -

**Ms BENDER** - No, it has drastically changed mine, yes.

**Mr STURGES** - Are you paying for connection of sewerage to your shack on your rate notice?

**Ms BENDER** - Not yet but we have been told with all these repairs that they are doing all the time to the sewerage will be included in our rates. The sewerage is a botched up scheme, and at one time I went down there, and I did not stay because of the foul smell. I thought to myself that it is most unfair that we have been put through this, thinking we can afford this shack because we knew what the land was and then I go down and I cannot stay there. That has only happened once but that has happened. I just went home again, I had unpacked a few things and then packed them back up. I wrote a letter to the Huon Valley Council, to Lionel Clark, who is in charge of some of this, and told him that it was just a terrible odour. He said that the people who designed it or put it in there said that it was relying on people being there, but it is a shack site.

**CHAIR** - So, by the sound of it, they had actually designed a sewerage system with a presumption that perhaps everyone will retire down there and be there permanently rather than a system that says that 95 per cent of the community will come in for two months of the year.

**Ms BENDER** - Yes.

**CHAIR** - Am I right in saying that it appears that the Huon Valley Council have separate rating areas for their sewerage? In some council areas, everyone in the area who pays a sewerage rate pays the same amount and then the work that needs doing is spread across. It appears Huon Valley Council may have separate rating areas for separate sewerage districts.

**Ms BENDER** - I think that is right.

**CHAIR** - No, we can clarify that.

**Ms BENDER** - I am not really very good on all that sort of thing.

**CHAIR** - No, that is fine. We can ask the questions. We are looking to get information from the locals before we ask the questions in those areas.

**Mrs BUTLER** - Mrs Bender, I noticed that you made some criticism of the Shack Sites project officer too, would you like to expand on that point?

**Ms BENDER** - Yes, I did make criticism of them because we could not get anywhere with them. Every time we tried to make inquiries we could not get anywhere with them. We would try to contact someone and they would say, 'They've left the project team, we'll get back to you', and that sort of bungling. I said somewhere in here that people changed their positions so many times - I cannot see where it is - but they did.

**Mrs BUTLER** - In the third paragraph, project manager, three times. So in addition to that, did you feel that there was some obstruction in communication between yourselves and the project officer?

**Ms BENDER** - Most definitely. We seemed to be hitting brick walls - I, personally, seemed to hit brick walls wherever I went. As for some of the other shack owners, they had their husbands to get in there and bat and do this. I was completely alone, apart from my daughter, who is also on this and who just moved to Texas last Friday, otherwise she would be here with me. So it seems like I am left here with everything, trying to sort this out.

**Mrs BUTLER** - Still battling.

**CHAIR** - So if I might get a handle on the staff, I understand exactly what you are saying because, as a local member, I had lots of complaints and every time I went to the Shack Site Project process I had to find a different person. You started with Mr McHenry, is that the first one?

**Ms BENDER** - That is right, he was the very first one - I put his name somewhere -

**CHAIR** - Yes, it is on your first page. Can you recollect from there who you moved on to? Do you recollect the names of the different individuals you have dealt with?

**Ms BENDER** - Vicky Shilvock was one - the names just will not come to me.

**CHAIR** - No, that is fine, that gives us a start.

**Ms BENDER** - There was another person, a gentleman, and I cannot remember his name.

**Mr STURGES** - Mr Marston?

**Ms BENDER** - Yes, Scott Marston.

**CHAIR** - You made a comment about paperwork sitting on the desk of the Minister for Aboriginal Affairs for six months. Can you expand on that? How do you know that it sat there for six months? Were you verbally told by someone else in Shack Sites?

**Ms BENDER** - It was verbally, yes.

**CHAIR** - So it was someone in the Shack Sites committee who said, 'It sat on the desk of the Minister for Aboriginal Affairs for six month and that is holding us up again'.

**Ms BENDER** - I only have verbal confirmation of that.

**CHAIR** - Right, that is fine.

**Mr STURGES** - If I could, and again I think will probably answer the question as soon as I ask it, but during the process when you were dealing with these officials from the project team, did you make it known to them what you were doing in regard to establishing your financial capacity to pay and the consequences of selling the land and what-have-you, do you ever have discussions with them about -

**Ms BENDER** - Personally I did not, no, but we were being told that once we got our sale document we were given 30 days. My husband was doing all our finance, so I sat back and let him do that. I was getting really worried when he was diagnosed with cancer and I thought, 'It is going to be left to me, I will have to do something'. Two weeks before he passed away - and he was very sick by then - he said to me, 'You have to sell some land to do this and you are going to need probably a bit more than what they said', because it had dragged out a little bit, 'But you need to put it on the market', which I did and sold. I sold it about two months after he died. I had this money waiting and it waited until 2005 but the land boom happened. That happened with Ken Thompson, a shack owner, who sold his home at Lutana ready for this and the land boom came. He was severely financially affected.

**Mr STURGES** - So effectively in 1999 you were of the understanding - and I really would appreciate it if you could find that letter -

**Ms BENDER** - Yes.

**Mr STURGES** - that within 12 months this matter would be finalised but it took some five years. Of course, I am aware of what happened in that ensuing period.

**Ms BENDER** - Yes, that is right. So my land that I sold would have been worth double or even more, definitely, had I just kept it knowing that I would not need the money until 2005. The land should have stayed but my husband was telling me two weeks before he died, 'You will need to have some money'.

**Mr STURGES** - Yes.

**Ms BENDER** - And I am thinking, 'Goodness me, I'm going to have a funeral, I'm going to have all this, I have to have the money', it was enormous stress besides a husband passing away, to have all of this on your shoulders and not know which way to turn. The whole thing has left me pretty flat but we try to hold on to what we have because that is what my husband wanted for the kids and myself, and we love it. Except for the sewage smells, it is a lovely spot. But all this has made life very hard.

**CHAIR** - There are requirements under our environmental laws about the operations of sewage treatment plants and one would expect you would be quite within your rights if it is not working to make a complaint to the relevant authorities and the Huon Valley Council, I would suggest, would then be required to fix it and be given a time line or else.

If they have taken responsibility for it now, at least it is not caught between two entities. I would suggest there is some avenue there now for resolving this issue. It sounds as if the Huon Valley Council should not have accepted responsibility. It is the wrong design for the wrong place, quite clearly, but they may have some solutions in the pipeline to solve it and we can only hope they have.

**Mr STURGES** - Metaphorically speaking.

**Ms BENDER** - Yes.

**CHAIR** - Mrs Bender, we do thank you for coming in this morning. It is quite clear that it has been a stressful episode for you. We are exceptionally grateful for the time you have given us and I know your husband would have been proud that you are still fighting the fight on behalf of your family. We congratulate you for that.

We will ensure that a copy of our final report to Parliament does reach you and some of the issues that you brought up we can possibly progress if the committee agrees through letters to get some answers out of people like the Huon Valley Council on issues such as roads, treatment plants et cetera.

**Ms BENDER** - Just before I go, besides the road and sewerage and those issues, my biggest issue is the fact that I think it was very wrong of the State Government to take that money when they have told us when we were buying what it was. Is there any way that they will ever say, 'We have been wrong, we should've taken what we said'. Is there any chance that they will ever repay any?

**CHAIR** - Of course, we are not the government of the day, we are a strong and powerful committee of the Parliament and whether the Government takes notice of any recommendations we may make at the end of this process is in the hands of the Government. I cannot make any presumptions of what the committee recommendations will be at the end of this process but one can only work it through from our point of view and then put a report and recommendations to the Parliament and hope that the Government are strong enough to pick up those recommendations and deal with them. I would personally hope that they would at the end of the day but whether that would involve any monetary recompense or not could not be prejudged at this time, unfortunately.

**Ms BENDER** - No, thank you.

**CHAIR** - We thank you again for your time.

**Mr STURGES** - The message has not been lost.

**Ms BENDER** - No, so have I given a fairly good clear message?

**Mr STURGES** - Comprehensive, to say the least, thank you very much.

**CHAIR** - We are very fortunate to have two very strong members of the Government of the day with us on this committee so that does give me some comfort and hope that the message will not only be passed through our committee report, but also through individuals.

**Ms BENDER** - Thank you very much.

**THE WITNESS WITHDREW.**

**Mr ROBERT LEGGE** MAYOR, **Mr BRIAN INCHEs**, GENERAL MANAGER, AND **Mr TONY WALKER**, MANAGEMENT DEVELOPMENT SERVICES, BREAK O'DAY COUNCIL WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mrs Smith) - Welcome, gentlemen. Thank you for your time this morning. It is appreciated. Mayor, would you like to make comment on shack sites as perceived in the Break O'Day area?

**Mr LEGGE** - It has not been highly favourable. There have been a lot of problems and there still are. I would be interested to answer questions, as no doubt you have quite a few to ask. Possibly Tony would be the chief spokesman as he has been the officer in touch with it from its inception. I was originally mayor in those days also so we grew up with it. There are some massive problems, and right to the present stage of the proposed takeover of water and sewerage. We are not prepared to take over the sewerage works and waterworks at Ansons Bay. We are going to have it for a month or two and it goes, so we're not really happy about that.

**CHAIR** - You have made a comment that there have been problems and there are current problems. As Tony is the expert, perhaps he could give us an overview of what those problems from day one have been, what things are still outstanding and work through the process. The Ansons Bay area in particular is the area that this committee has received submissions on.

**Mr WALKER** - We had other areas as well - Binalong Bay, The Gardens, Mount William National Park - and they all had specific problems. I would explain it as a total disaster. As local government professionals we are given a set of rules and standards that we have to comply with. Right from day one it appears that the Government's idea was to convert as many of these properties onto freehold title as they possibly could. I can understand the political ramifications. Our council has never once criticised the shacks being there and the shacks remaining. Our big concern is the conversion process to freehold title. In those three areas we have dealt with there have been major issues and will continue to be major issues.

**Mr STURGES** – Excuse my ignorance but why is it such a major issue to convert it to freehold?

**Mr WALKER** - Once it is under leasehold and licence hold it is an annual licence, so if a person does the wrong thing or circumstances change you have the possibility of moving with those changes but once it goes to freehold tenure, regarding all those controls of day-to-day issues you have lost it. We have had shacks in the Mount William National Park that the Government's own consultants recommended be removed because they are in active sand dunes, but the political will resulted in them remaining. I was asked to do a waste disposal assessment of those sites, which I did. The original proposal when I was asked to do that was that they were to remain for 20 years and then they had to go. However, when the final decision was made, whether it was a political decision or whatever, they have ended up with a 30-year lease with no assurance that they are going to go at the end of the day.

I have shacks at The Gardens that were sold and transferred. I will explain some of the frustrations that I have seen. As council's EHO, I had to approve a waste disposal system on those sites. A couple of those sites were extremely marginal – 500 to 600 square metres. When I made that decision I required that exclusion zones be included on the title to exclude development within certain areas on those blocks to ensure that I had room left for waste disposal. That was accepted and the matter was processed. Keeping in mind that the council had never been in favour of the process at all, when the titles were issued it was demanded of us that we endorse the titles and all the covenants on those titles and be a party to those covenants. My council refused to endorse because there were many aspects of the process that we didn't agree to. As far as I was concerned, that was it. Then I received a building application in for that site and I said to the person, 'Sorry, you can't build on that site', because when I approved the waste disposal system there was an exclusion zone.

**Mr STURGES** - Which area is this?

**Mr WALKER** - The Gardens. When I looked at the title, unbeknownst to me who issued the waste disposal approval, the restriction on the title had been deleted. In fact the easement that I demanded to create the waste disposal was crossed off. So someone, after they went through this process, decided that council was not going to be a party to it. When I challenged it, I was told, 'You wouldn't sign and be a party to the covenants on the title, so we removed all reference to anything you asked for on the title'.

**Mr STURGES** - Who did you challenge it with?

**Mr WALKER** - The shack sites officers. That is just one example.

Another one at The Gardens was conditional upon a waste disposal system going in. They sold the title, we had approved the waste disposal system and a special connection permit for the system was issued. It is current for two years. So it was sold on the condition that the waste disposal system would be installed by the new owner. Two years later it wasn't installed and technically that permit was no longer valid. I said, 'How does your contract now stand?' - because they had not satisfied the conditions of the contract. We issued another permit in an effort to get the people to put the waste disposal system in and now that permit has expired and the system still hasn't been installed.

Following on from that, because of the issues there, when Ansons Bay came along I negotiated a position with the shack sites people to say that with the problems I have had in the past with people connecting to the waste disposal system Ansons Bay is a reticulated sewer system. I asked, 'If you sell these sites, what guarantee does council have that the places will be connected to the sewer?' They said, 'We will not transfer the titles until such time as they connect'. We have had all the problems with the waste disposal system at Ansons Bay, which again has been a total disaster. Without any consultation with me, they started transferring all the titles. I contacted them again and said, 'We had this agreed position'. What I found continually through the process is that there have been so many people involved in the shack sites project team that there is no consistency whatsoever. I must have spent hundreds of hours with officers, reaching agreed positions, to turn around and be totally disregarded. I walked every single site at Ansons Bay with the engineer, the surveyor and the shack sites people. We looked at all

the boundaries at Ansons Bay with shack sites and we reached an agreed position on a number of factors. We wanted to try to keep the sewer reticulation as close to boundaries as we could. We wanted to ensure that wherever possible public access to the foreshore was maintained, between the shack sites and along the foreshore. We kept the boundaries in such a way that would allow access along the foreshore plus access through the sites. The next thing I knew the titles were issued bearing no resemblance whatsoever to what we had agreed on the site. The officer I had walked around with had left and a new officer had come in and his comment was, 'I don't agree with you'. There were lots of sites with lots of *Melaleuca ericifolia*, which is a protected species under the RFA, and we tried to get them off the titles so that they would be still maintained on the foreshore. We were finding that people were basically trashing the foreshore for views and access to the foreshore, so we wanted to get them out but they were all put back into the titles. I think there was an intention to try to make the blocks as large as possible, whether it was worth more money I am not quite sure.

The consultants issued their report on Ansons Bay originally and recommended -

**Mr STURGES** - Who were the consultants?

**Mr WALKER** - Sinclair Knight Merz did the original report. They recommended, I think, that a number of shacks below the 1.5 metre line be removed and that a number of shacks that were subject to high erosion be removed. I think there were 20 or 30 shacks. Regarding one of those shacks the consultants report said, 'This shack is situated so close to the edge of the beach that the next storm could see a total failure in this shack'. You cannot walk around in front of this shack or between the shack and the foreshore. Next thing we know, there is an amendment to shack sites act that says that the Crown and the council will not be liable for any loss under the shack sites process due to a natural occurrence. All the shacks were put back into the system.

**Mrs BUTLER** - Where is that documented, Tony?

**Mr WALKER** - That was in their original report. Once that report came out and this number of shacks were going, the shack sites act was changed to remove this risk to the Government. All the shacks that were basically at water level were back in. The determination was to include a whole range of shacks that their own consultants recommended should not be converted to freehold tenure.

When the final decision was made I managed to convince council - it was my report that was presented to council - that a total of 21 shacks should not be converted to freehold title - the ones that were below the 1.5 metre level, which was recommended originally by the engineers, and the ones that were subject to a high risk of erosion. My council initially supported that decision.

However - and I still honestly believe this to be the case so I will say it - a \$40 000 incentive was given to council to assist us to fight appeals. We raised the concern we were lodging the representation for these shacks because once they go onto freehold title, we were really concerned about the number of planning appeals and problems that we are were going to have with people wanting to develop shacks, basically, below the 1.5 metre level. I will point out that at that stage the accepted height of shacks was 2 metres, and that was recognised by the consultant, that we should not be developing below the 2

metre level. It then said we will go to a compromise and go to 1.5 metres with our recommendation because these are existing shacks so we were already accepting something a lot less. The council was not objecting against the shack and was not asking for the shacks determination to be removed; it wanted them to remain on a lease that would give them some control over it.

So council subsequently changed its mind - I think it was only about two counsellors changed - which swayed the difference and council withdrew its appeal.

In hindsight what I was saying at the time has been exactly the case; the \$40 000 that we put in a reserve to assist us with planning appeals has probably been eaten up by two appeals we have had already. One appeal was to completely rebuild a shack that was already 0.5 metres above sea level, and we have photos of the water being entirely around that shack before any issues with sea level rising and that comes in. This is where we are running into problems. The next one we have had is a site that was subject to a high risk of erosion identified by the engineers. The person put in an application and we initially supported that application on the basis of the evidence they gave that because the shack was right at the back of the block there was not any risk of erosion. But before we had a chance to issue a planning permit, this person chose to go onto the foreshore and construct a significant retaining wall along the front of his site within any permits and council then said, 'Hang on a minute, if you are saying in your application that there is no risk of erosion, why have you gone onto the foreshore and put this retaining wall in?', and that matter is still before the courts. The really frustrating part about that is that the person involved was a member of the executive for the shack sites so was a party to all the information that went out and a letter went out to these people because once this process started we had a lot of incidences of people doing work on the foreshore, cutting tracks down, putting walkways down on the foreshore and we asked the shack site team to write to the shack owners and remind them that any works on the foreshore was subject to a development permit and approval by Parks. So this person did all these works without a permit, parks officers were as frustrated as we were with the work because it was a blatant disregard to it and gave me a written assurance that they would not support a retrospective application.

However, after given that written assurance - we initiated legal action, they didn't - they did sign the development permit and gave them permission to put a retrospective application in and that matter has now been going on for some months and has cost the council many thousands of dollars in consultancy fees.

We are just not getting the support, I believe, to help us. The whole sewer/reticulation system at Ansons Bay was designed with a sea surge of 1.97 metres so all the manholes, all the designs for the shacks was based on that level.

**Mr STURGES** - Who designed that system?

**Mr WALKER** - Sinclair Knight Merz designed the system as consultants to the Government. We, on their advice, accepted that invert level which means some shacks had to raise their toilet floors and their sewer systems to get it above that.

After all that process, we now have the Government telling us through their planning instructors that they are going to insist that we work on a level of 3 metres with sea surge,

with the current trends towards sea level rising and problems like that. So now we already have a system that is designed 1 metre below what the Government is telling us to do. So the frustrating part, I suppose, over all this is that the Government has gone through and done a process with the shack sites, exempted themselves from all the legislation, all their guidelines, the State coastal policy, everything else, the process is finished - it is yours, council, you worry about it - and that is what is happening. We are the ones who have to fight the appeals. We are not even getting the support from government agencies when someone does illegal work.

This bloke may well have done a great job to protect his property but the Government already had, because one of the recommendations from the consultants was these shacks are subject to a high risk of erosion, put budgets and all in there to put a retaining wall in front of the whole length of the shacks. They received a report from the Melbourne University that said, 'Waste of time'. If you put a barrier up in that kind of scenario, all you do is reposition the energy either up the wall or along the wall so it is a waste of time and money putting those in and the cost of putting those barriers in exceeds the cost of the real estate value anyway, and at the end of the day it is not going to work.

People have been trying to put retaining walls up at Ansons Bay for the last 20 years and they have all fallen into the water - none has been successful. So now we have a person that has put up a 40 metre section in front of his block and all the evidence that we have is that, number one, he did not show any justification as to why it should have been there in the first place and it is only going to shift the potential energy along the wall and create more erosion on either end of it.

We could not even get the support from Parks not to support it, basically, and, as I said, we are now fighting an appeal on that because if Parks had said no, it would have had to have been fixed up there and then.

You can see I am frustrated. It is still putting an enormous stress on my staff trying to deal with these applications. In all honesty, when you can imagine that the land should never have been subdivided there, it could never be subdivided under current legislation. The Government chose to subdivide and exempt themselves from all the legislation but now we have to comply with it all.

I will give you another example of what happened up there to show my frustration. In the shack sites act once a determination was made, and that was the decision to convert to freehold title from lease, the shack sites act exempted those sites from the planning system until such time as a title was issued. That was done to allow the Government to go and do works that it would not normally get a permit to do because they were working below sea level and all sorts of things, working through Aboriginal middens. We raised a concern right from day one when we became aware of that, that it meant we did not have any planning control over any of those sites in that window of opportunity - and we are talking about an 18-month to two-year period by the time you get all the infrastructure in place.

So we had an assurance from the Government that they would not allow people to do work on their shack because you still need written permission under their lease because their lease was still in place and to do any work on a lease, you had to have written permission from the Government. So we had that written assurance. Officers change and

the manager at that time, once the determination came out, wrote to all the shack owners and said, 'Hi guys, now is the opportunity for you to do all that work you will not be able to do any other time because you do not have to comply with the planning scheme'.

**CHAIR** - So have you copies of the written assurance to the Break O'Day Council, can that be provided, by the first level of officers and then somewhere can we track this letter that supposedly says you can do as you like until such time as the council roll over it?

**Mr WALKER** - I think I will find the second one but I am not quite sure about the first one because this thing has gone on for such a time and we only really had a manual filing system when it all started. I have two boxes sitting in my office that I have chucked everything in for the time being. It is not a very good filing system.

**CHAIR** - I have one too. It is called the 'pulp mill box'.

*Laughter.*

**Mr WALKER** - But that is only one example of heaps of frustrations that I have seen. Ansons Bay has so many examples and there are some people who I think have been dealt with very poorly up there. You might have received a submission from Mr and Mrs Walker - no relation to me, I might add. They had a shack on the foreshore. The shack in front of them was to go because there was no access to it. They attempted to acquire some land from Mr and Mrs Walker and they had their right to say no and they did.

They then came up with the idea, and without seeing the site it is a little bit hard to appreciate it, that we will have a public access here for disabled people to go to the beach and we can acquire your land under the public land acquisition act for public access to the beach but we cannot acquire it just to get a driveway to someone's block, after sale of the shack site, as I understand it. You can only acquire land through the public land acquisition act for public purposes. So they approved this disabled access to the site. Because they claimed this disabled access, they then had enough room for this 300 square metre block in front of them to remain. There was a big dispute about the boundaries, that this shack was or wasn't over the Walkers' boundary, but the shack remained. The Walkers negotiated, 'If you're going to put this shack straight in front of me, I've got public access to the beach'. So they negotiated an outcome to give the Walkers public access as a walkway down the two boundaries of the blocks. I have some photos of those. I went up there and there were two survey pegs in the ground with a walkway through the Walkers property, keeping in mind the block beside is only about 200 to 300 square metres and there is nowhere to park a car on it, without doing anything else. When the titles were issued there was no walkway, no public land; it is a right of way over this title. The Walkers jumped up and down and didn't get anywhere. They came to see me and I wrote a letter on their behalf.

There has already been a lot of conflict between these parties and the police have been involved in some instances, so it has become pretty serious. There is no room for the owners of the shack in front to park so they will probably park in the car park anyway. The crown counsel said, 'We want you to take over this road'. I said, 'It's a disabled access. There is nowhere to park there. If a person with a disability drives down there, they can't park because if there is someone at that shack they will park in the car park.

What do they do then?' 'We'll put some car parking back up the top of the hill and they can go up there'. This road is very steep. I said, 'What if the disabled person is driving the car?', and they didn't have an answer to that. They approached council and said, 'We want you to take over this infrastructure', and on my recommendation my council said, 'No way. This is just going to be a conflict all along'. It will never ever be resolved between these parties. I have already seen the shack in front of the Walkers, with a number of tents over it. What you tend to find at Ansons Bay is that when people come down for a holiday all the family comes down and they put tents up. I can see this being an ongoing conflict from day one. That has been an issue between us and the shack site team, about us taking that road over. Whatever we tend to do we will end up inheriting these problems.

**Mr STURGES** - I am hearing what you are saying, and we have received a number of submissions in relation to the Ansons Bay shack site area. I have to say that none of them are complimentary in relation to the Break O'Day Council, so that is why it is important to hear what you have to say. In this submission the submitter indicates that \$16 998 has been paid to the Break O'Day Council for the waste water disposal system. I have heard what you have said about it but -

**Mr WALKER** - No, that's not correct. There's been no money paid to the council.

**Mr STURGES** - No money paid to the Break O'Day Council?

**Mr WALKER** - The Break O'Day Council has received two payments from the Government. A \$40 000 payment was made to us very early in the process to assist council to engage consultants and other parties to review, in the main, the waste disposal proposal and we spent a considerable amount of money on that. That probably lasted two or three years in the early stages.

**Mr STURGES** - That was for developmental work?

**Mr WALKER** - It was to assist council to pay for consultants to review. We received another \$40 000 at the time we lodged our appeal. The official position was that that was given to council for a reserve fund to help us fight the planning appeals that we were going to encounter, and that has shown to be the case. They are the only two payments that have been made to the Break O'Day Council.

**Mr STURGES** - Just for the record, the Break O'Day Council has received \$80 000 from the shack site team for those purposes and you are not holding any other money in trust or in any other form?

**Mr WALKER** - I can't give you any figures on this, but you can probably appreciate that for the last two years we have been trying to get this sewerage system up and running. I have been there about 10 times. It got to the stage in the beginning of this year that our engineer was going up and out of total frustration said, 'I'm not coming anymore. You fix it and I'll come back and have a look at it'. They gave us an assurance at that stage that any inspections we were carrying out to check the infrastructure, when the engineer was coming back and back, we could charge for that.

**CHAIR** - Who has the responsibility at the moment for the sewerage system.

**Mr WALKER** - The Crown. The council has not taken over any component at all.

**Mr STURGES** - Allegations have been made in relation to other councils, so I just want to get this for the record. Is the Break O'Day Council holding any money at all in relation to the shack site project in trust? You said you have had two lots of \$40 000 - and I will put this to the general manager and/or the mayor - to your knowledge is their money being held in a trust account associated with this particular exercise?

**Mr INCHES** - Not to my knowledge.

**Mr WALKER** - Not to my knowledge either.

**Mr STURGES** - It has been alleged that other councils have trust funds with moneys.

**Mr WALKER** - That first \$40 000 just disappeared very, very quickly. When the second \$40 000 came on the scene, I insisted it go into a reserve account. I didn't want it to get eaten up like the last one did and no-one could really justify it.

**Mr STURGES** - Thanks, you have answered it.

**Mr WALKER** - We still hold some of that \$40 000.

**Mr STURGES** - Yes, I understand.

**Mr WALKER** - When they started selling sites we were expecting, probably this time last year, we would have people connected to the sewerage system. I encouraged people to put their application in for their plumbing permit, but we are talking about \$125 for an application fee. So we do hold a number of plumbing application fees for the sewer connection on behalf of the owners, but we do not hold any other funds whatsoever and council has not received any funds in relation to the sewer system.

**CHAIR** - If I put a scenario to you that a shackowner has paid the price of their land plus \$17 000 for a sewerage system that was installed three years ago -

'Council won't allow us to connect to this system and as the pumps have been put in place for that time they have not used and the warranty would have run out ...'

They have paid the \$17 000 to the Crown and the Crown still has responsibility for the sewerage system. Your only responsibility is to give connection fee permits at a time for them to connect when you are satisfied that everything is suitable for the Break O'Day Council to take control and responsibility. I presume the Government is attempting to get all councils around the State to take responsibility for all the infrastructure at a stage when you negotiate that everything is true and correct and in place.

**Mr WALKER** - I can probably answer that more clearly. We had concerns about this soil reticulation from day one. It is installed below sea level in a lot of areas. We were given assurances and assurances. I asked the engineers for a sealed system, and you can get a precast, fibreglass manhole that has everything sealed in it, and they assured me it would

not be necessary. Also because we have very low winter usage and high summer usage, we get a really uneven loading on this whole sewer system and we wanted it demonstrated by the contractors in the supply of these treatment systems that they had a system that could handle these peaks and troughs because basically at Christmas it would go wham and at Easter it would go wham.

So early in the piece we negotiated an extended maintenance period for the sewer system. We appreciated it would take 12 months to get the places on there - best-case scenario - and we wanted to see the sewer system run through a full winter and a full summer cycle. So we negotiated a two-year contract and maintenance period for the system, which is normally only six months.

The Crown installed all the reticulation system, all the underground infrastructure - it was installed probably well over two years ago - and without any agreement from council that it was up to an acceptable standard, they put it onto maintenance. So the two-year maintenance period for all the infrastructure, as far as the Crown is concerned, has expired but we haven't even taken over the system to start the two-year period we have asked for.

So as soon as this gets close we go down and the sewerage system is full of water. You have to appreciate that this sewer system is a closed circuit, it is not a pipe going out into the water. They have a treatment system and irrigation areas where the wastewater goes into in-ground absorption. All those calculations have been done on the basis that there is x number of shacks, volumes et cetera. Because of the intermittent use it is going to be a little bit up in the air.

We don't have the flexibility in this design to tolerate ground water getting into the system. If you had a pipe going out to sea and it really didn't make any difference, it is not going to make any difference how much water you are pumping out the other end as long as you can treat it. Water infiltration was a big concern from day one. It took them nearly 18 months to even get close to repairing the system just to get the ground water out of it. In the meantime, there have been pumps sitting there, exactly right. Keep in mind that our agreed position with the Crown originally was that the people had to connect to the system before they paid for their blocks. The Crown said, 'No, we need the money'. I fully agree and sympathise with them, but I tried to explain to them, 'Guess who is going to pay for this system if it's faulty?'. Not the Crown. You, as the ratepayers of that area'. This is a separate sewer system. We don't combine all our sewerage systems up there and everybody pays for everybody else; this is a self-contained sewer system. If we have to treat extra water and put in more irrigation areas because of storm, infiltration or a faulty system, the people of Ansons Bay will be paying for it. I have tried to explain that to them. I said, 'You don't want us to take this system over until such time as we are 100 per cent sure that it is sustainable'. We may well be getting close now, but I have seen so many faults in the system that I am really nervous.

The Winsconstance (?) mound, which was around at the Shark Bay end, and which services five or six shacks, is an above-the-ground treatment system that treats and absorbs sewage. You put the septic tank effluent into it and it filters through the sand and absorbs into the ground, so the sand works as a filter. They had a specification for that - the size of the particles, how it is graded and things like that - and, as far as I am concerned, they dug a hole in the ground and thought, 'This soil is sandy enough. We'll

use that on the Winsconstance mound and just chuck it straight on top'. It had roots and sticks in it, completely covered with ferns. When they went back and checked it, it did not even comply with the plans, so they had to completely rebuild it. That is what we have seen all the way through.

There is a plan showing the french drains. It was a bush block and we were never asked to do any inspection of it. They were supposed to let us know because it is a level 1 treatment system because of the number and as the council environmental health officer, I am responsible for the disposal part of it. One length of french drain, not much longer than this room, had 1.2 metres fall on it. An engineer argued with me, 'We've overdesigned it. We don't have to replace it'. The main drains for the whole treatment area were a series of four drains, each probably 50 metres long. It was plumbed into the centre of those drains and they all fell downhill, so you were only using half the drains at best. We have all these issues.

The sewage treatment plant. You can imagine a Blivet system as high as that wall, probably five or six metres long, a great big green tank. I went up with the engineers and we agreed with the site, which was a little bit discrete. There was a nice field of trees on the road; there was already a hole dug into the bank where it could have sat in and been half under the ground and half over. I went up to Ansons Bay and it was sitting right beside the road. It is not unattractive but I said, 'I agreed that it go there' and someone else came along and made a decision not to do that. Right through this process we have had to wear that; we can't shift it any more. But they are the kinds of things that led to frustration for us. Council is not going to take over a system and allow people to connect to a faulty system.

**Mr STURGES** - Again, for the sake of equity, I ask this question: in another submission the submitter refers to a public meeting held at Ansons Bay on 27 February 1999 - and you probably weren't there to recollect the meeting, but I will get to the point that this person has raised. In the submission this person goes on to say - and you can state your position for the record on this occasion - Mr G. Finn was representing the Break O'Day Council, according to his submission - 'It was clearly stated that the Break O'Day Council was adopting a fundamental position of wanting all crown land shack sites removed.' I will give you a chance to respond to that because these claims have been asserted in submissions presented to us.

**Mr LEGGE** - Very early in the piece - David Llewellyn was on the traps and we went up there for a visit - that scenario was put to David Llewellyn: would it not be cheaper in the long term to take all the shacks off the foreshore, for the Crown to buy land - there was plenty of land higher up - and give the people they were shifting a block of land and then walk away from it. That scenario was put forward.

**Mr STURGES** - Thanks, you have put that in perspective.

**Mr WALKER** - I am not even quite sure of the scenario of the meeting and why wasn't there or why I wasn't invited. I wouldn't call it a public meeting; I don't think they ever had any public meetings. They certainly had groups that met. What I find with a lot of these things is that they get taken out of context really easily. If someone said, 'What do you think the best scenario for council would be?', I would answer that too, 'Remove the shacks'. But that was never an established position of council.

**Mr LEGGE** - It was just a scenario put forward.

**CHAIR** - Did the Break O'Day Council take on any contractual work on behalf of the Crown in any of the shack site areas, in the way of road infrastructure, drainage or anything like that?

**Mr WALKER** - No, and we didn't have the resources to do it. I can't recall whether we have done any infrastructure but there were a couple of roads that went in at The Gardens, and I think we may have done those. We have been asked to do some work, but I don't believe we have done any. We haven't entered into any contracts at all.

**CHAIR** - There are three groups involved in this total disaster, and I can give you assurance that you are not the first person who has said that to this committee. One of course is the department responsible; the second is the consultants employed to draft up sewerage systems, road infrastructure et cetera suitable to the areas; and the third is the contractors. Would you like to make any comments about those three groupings that have been involved in this process?

**Mr INCHES** - Tony, I think we did a boat ramp.

**Mr WALKER** - But that wasn't part of the shack site process, though.

**CHAIR** - As I say, there have been three groups involved in this and the overarching responsibility must always be the department, regardless of where they put it. The department is responsible for the consultants; the consultants are responsible, I presume, to see that the designs they bring up are done appropriately by the tenderers. I am trying to get a handle on, firstly, some of the designs that appear to be quite inappropriate around the State, for waste systems in particular; and secondly, road infrastructures paid for and not put in yet. They are probably the two significant ones.

**Mr WALKER** - We have an active part in all the waste disposal decisions because we have to issue a permit for it. We did play a role in supporting that but we found very early in the piece, when we were paying for engineers to check engineers' work, that it was a waste of resources. When you have engineers design things there are some expectations that they will work. The problem we have experienced here is that the Government has not been willing to come up with any infrastructure, especially roads, to a suitable standard. There are lots of roads at Ansons Bay but they decided not to put a road in there and just left a sandy track to eight or 10 shacks. How they are going to manage that in the future I will never know. It has given me a major problem with the planning scheme because it says that we have to get emergency vehicles into these sites, so those sites don't comply. I said that originally, 'If you don't put a road into these shacks, I'm going to have major trouble issuing development permits because they don't comply with the planning scheme' and the Crown just wasn't interested.

Council had some involvement and we made a decision that we wouldn't take over any infrastructure if it was not to some minimum standard. There are some small pieces at Ansons Bay that we have given an undertaking to do. They had to completely rebuild one road because it was just laid on clay and it failed within six months and did not comply with specification. I do not think it is a design issue.

I can speak personally of Great Lake - I have a shack up there - it just does not work. Though some things might have been designed for that, in practice it was not going to work.

At Ansons Bay we found that the Government was not prepared to put infrastructure into a standard that under normal circumstances the council would accept, so we have some dispute there. We had no input into making decisions with contractors, we have had very minimal supervisory roles and we were relying on the Government's engineers to check that things went in right. So, given Ansons Bay and all the issues we had, there must have been some significant failures with supervision.

They had a design for the Winsconstance mound but did not go in in accordance with the design. I think there were decisions made to change things on the run. We had problems with pump lifting gear, they never put any gantries in for us to get the pumps out, they mucked around and had did different bits and pieces and we are still trying to get an idea of how we are going to service the pumps they put in the pits.

So there have certainly been some failures under normal circumstances, but they were also, in all fairness, working in very hard conditions trying to put sewer systems in below sea level in saturated sands and those kinds of areas as well.

We had experience at Scamander. We knew we were having problems with the saturated sands. We employed a full-time clerk of works with our sewer system and we still had problems with infiltration and we missed bits there. You cannot be on site all the time but it is quite obvious that with Ansons Bay particularly the system had failed somewhere.

The biggest fault with the Shack Sites project team was not the individuals, although we have certainly had some conflicts with certain individuals through the process, but basically they were doing their job. However, the change of staff has just been horrific.

I have dealt with so many different managers and every time you turn around there is someone new. You ring up and find that the person you want is not there any more, they have gone somewhere else. There is just no consistency and you cannot put everything in writing. I would spend all day writing letters saying we agreed to do this and agreed to do that. There have been a lot of dedicated officers there. I do not know whether they have shifted on out of pure frustration but -

**CHAIR** - Perhaps I will put this scenario to the general manager then because he knows about management and teams. We have had evidence from the department that there is a team of 10 in the shack sites process. If you had a team of 10 in a process, would you have an expectation that if you lost a member or two, that the whole process should fall into disarray or would you have an expectation that in a team of 10 some consistency should prevail?

**Mr INCHES** - I would expect that in a situation like that there would be a corporate knowledge that should transcend one or two people changing over. It seems ridiculous to suggest anything else.

**CHAIR** - Thank you. This committee, over two days, has certainly heard evidence from people who have paid significant money for a sewage treatment plant in lots of areas around the State. In some instance, they have paid \$25 000 for a road and they do not have a road. Are you aware in all of your areas where there are those sorts of scenarios besides Ansons Bay, and we understand the reason now for the sewerage infrastructure not being in a position to be connected?

**Mr STURGES** - And the roadwork too, Madam Chair.

**CHAIR** - Yes, you have not taken over any roads in the Ansons Bay area at all?

**Mr LEGGE** - No, we have not taken anything.

**CHAIR** - And it would be the expectation of the council to have it at a certain standard comparable with other roads in your community before you would take it over? Is that a presumption?

**Mr WALKER** - The position is they would not accept our standard and we reached a compromise - most of the roads at Ansons Bay that we are taking over are very small sections. We have reached a compromise on those and we are satisfied with some of those roads being built to that standard. But, as I said, one main road has totally failed, probably the longest one, so there have been some sections of the infrastructure that the council would be satisfied that we have basically ticked off that we would take over, but we have not formally done it because it is tied in with all the areas.

**CHAIR** - So at the moment it is fair for this committee to assume that all responsibility in the Ansons Bay area, in particular, is the total responsibility of the Crown when it comes to roads, power, waste management infrastructure, is that a correct assumption?

**Mr WALKER** - At this time.

**CHAIR** - Right, thank you.

**Mrs BUTLER** - The effect of the valuation increases - I am interested in what has happened for council as a result of those changes?

**Mr WALKER** - The big thing it has done is that these people have paid pretty significant money for this land and there was a distinct change, like when the Gardens were sold, one of the blocks up there was sold for \$16 500.

**Mrs BUTLER** - When was that, Tony?

**Mr WALKER** - The Gardens were done probably five years ago, I reckon, and the shack on it was of a very poor standard and then that place sold less than 12 months later for \$220 000. There has been a distinct policy change from the Government since that time. The people at Ansons Bay were expecting and had been told that they would be paying somewhere around \$25 000 for their blocks and power came in on top of that. But we have blocks of land at Ansons Bay of 300-and-something square metres and people paid \$65 000-\$70 000 for it. We are not privy to that information - this has come from them back to me. There was one site there that had Aboriginal middens all the way around it.

The size was such they could not do anything on the block anyway - they could not build onto their shack - so these people have paid quite a large amount of money for these sites with restrictions. They made their decision on the restrictions and then all of a sudden they find out, 'Look, I can't connect my toilet to this', or 'My shack's too low; I have to lift all the floor up. I didn't know this restriction was on my property.' That information is not even passed onto these people until after the prices are all set and some people pay for it but it is sitting in their own Government waste water report and it listed all the shacks that had floor levels too low to connect to the sewer system. So decisions were made and prices were set without the shack owner knowing about that and you can appreciate how frustration comes when people ring us up and they have paid what they consider to be a reasonable price because of the cost they had to pay for the infrastructure and the power. I know with our site at the Great Lake, we paid \$11 000 for the road and we have a dirt track in front of us at the moment. They hit a solid rock and they could not put any drains in so they dug an open ditch across the road - and you can imagine cars going through and they hit an open ditch - and here is a road that we have paid \$11 000 for the small piece in front of us so I would imagine they would be sharing exactly the same frustrations as we are. They have \$16 000 for a sewer system they cannot connect to, they have all made application.

I get phone calls every day, 'When can we connect? When can we connect?' We waited for power for a start and this took months and months. The whole sewer reticulation was in before the power got there so we could not even turn the pumps on to see if they worked. We waited for power. Then when we got the power and we could then get the sewer going, we found all the infrastructure and problems with that and it has just gone on and on.

So I can share their frustrations. We actually have had more than one occasion where people have rung us and said that some of the shack site team were blaming them for not connecting the sewer. I fired up pretty well for that - so to fob them off from the shack site people, 'That's the Break O'Day Council's problem, they won't let us connect'. I rang up, spoke to the manager and I said, 'You tell your staff to basically pull their head in. I am not going to accept that because it is not our problem, don't put them onto us.'

**Mrs BUTLER** - Are there any other comments about the valuations and the changes? Has that brought a lot more pressure on you because of those extra dollars?

**Mr LEGGE** - I do not think so really because of the way we have been able to juggle the rates hasn't made a massive increase. There have been some high valuations obviously, but we have been able to adjust the rates accordingly to keep the rate down. There were a few exceptions where that happens.

**Mr INCHES** - We had peaks at both ends but generally about 80 per cent of people are quite acceptable.

**Mr LEGGE** - One comment I would like to make, and make fairly clear in the whole thing is this: we are out of litigation money that was given to us by the Government. We will no doubt have to find money and I treat it as totally unacceptable that the council have to pay litigation fees for something that the Government instigated. It is a drain on the rest of the municipality.

**CHAIR** - Thank you, that is duly noted. Are there any other comments that you gentlemen wish to make?

**Mr LEGGE** - The only other comment I have is that I have written to the Government saying that if the Treasurer wants to take over water and sewerage we will not accept Ansons Bay at this stage. It would be unfair to take over a system there and then have to hand it back to somebody else. We will get the blame for it not being right in the interim, so we would be very loath to sign it.

**CHAIR** - So regardless of whether they can solve the waste sewerage systems or not, your position at the moment is that until the issue of water and sewerage is settled statewide you are not interested in signing off to take responsibility?

**Mr LEGGE** - That's right.

**Mr WALKER** - It just seems a little strange. They have to transfer a whole heap of titles to us for the waste disposal site, the pump stations and all those kinds of areas. It seems a bit silly to accept those and, if the decision is that the Government is going to take over water and sewerage, we have to give it all back.

**CHAIR** - There is a lesson for all of us. I hope your engineering department talks to your accountancy department, planning department and corporate service department because I am not sure at the next level of government that happens as often as it should, so that does not surprise me. There is a lesson in this, that we should all talk to one another regardless of our department and responsibilities. That probably has not happened in this way. Our issue at the moment is crown land shack sites and the administration of that process by the department. We thank you for the time you have taken to come here this morning. You have certainly clarified some significant issues. I would suggest that with your rate demands, if the mayor has a mayor's notice, it might be opportune for the residents of the shack sites area to be given concisely information on some of these issues. To our recollection there is a presumption that 'We can't connect to the waste treatment plant because Break O'Day Council won't let us'. Sometimes we have to impart that information in different ways and that may be an opportune way to do it.

**THE WITNESSES WITHDREW.**

**Mr RODNEY WALSH**, GENERAL MANAGER, AND **Mr GILBERT DILLON**, WORKS MANAGER, CENTRAL HIGHLANDS COUNCIL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mrs Smith) - Thank you, gentlemen, for your time today.

**Mr WALSH** - I am the General Manager of the Central Highlands Council. I have been there since November 2005. On my right is Gilbert Dillon, the Works Manager for the council. Gil has been Works Manager for approximately 13 months.

**CHAIR** - Would you like to make some opening comments about the involvement of Central Highlands in the shack sites process with the department?

**Mr WALSH** - I can only comment from my commencement with the council. On starting with the council I was into legal problems immediately to do with the shack sites projects. From that stage, November 2005, we went into a conference with the project contractor, Fluoro Connetics, and in March 2006 that project company went into voluntary liquidation due to some mismanagement of the project. From September 2005 it was noticed that the work was deteriorating very quickly. There was bad supervision on their behalf. From the council's point of view we found that some of the claims were made three times. We did an investigation and found that from claims 1 to 15 there was about \$288 000 that was overclaimed. Then the work deteriorated even more, due to their poor supervision. Legal advice was that we put a bit of pressure on them to force them out of the work. It was a very bad time from November through to July. When council started worked again on about 10 October 2006, after much legal dispute, Paul Cook and Associates' liquidator got involved as well. We put up \$15 000 for a further inquiry into the Fluoro Connetics firm, due to the number of creditors that were unpaid.

It is very pleasing. Since October we took over the defect work and fortunately we obtained a \$300 bond from them before they went into voluntary liquidation. Then we continued with the defect work over many projects - which was \$300 000-odd. From early February 2007 we have progressed with the work again and it is going very well indeed. If you have any liaison with officers from DPIWE, they are very pleased with the work that council is undertaking. We have our own work force, an experienced supervisor, about four employees. We have recently advertised for registration of interest for future machinery from outside sources. We did not think we would be continuing with the shack sites during the winter months but the weather has been quite favourable and we are still working up there. We are right on schedule, with the work to be completed by the end of 2008. We have had meetings with Minister Llewellyn. We may have a shortfall of about \$586 000, which we agreed to allow in our budgets for two calendar years, 2007-08, so it will be close to two financial years - \$110 000. At this stage we may be short of about \$476 000 to complete the work. It was a situation where Fluoro Connetics, the contractors for the work, undertook some of the easy work first and then did not complete it to our satisfaction. We are now working through a program. I will leave with you an up-to-date progress report of the project undertaken by an independent superintendent. It shows what the itinerary will be for the 2007-08 year, and also the costing for the work.

Since we have taken over the work, we have spent about \$659 000. We have about \$1.2 million remaining but, as I have said before, we will be short of about \$476 000 after allowing another \$110 000 from council towards the project. From an inspection up there I have to say the work is progressing very well indeed. It is very difficult terrain and it is unfortunate - and this is before my time - that a contractor with a lack of experience in roadworks undertook the project. But that is in the past, we have to move forward and we are moving forward and we are quite positive that the work will continue to the time and be done to the standard that we expect. Our superintendent from Johnson McGee and Gandy is doing a very good job. This superintendent was approved in November 2005 as the independent superintendent. He knows the area well, he is doing a good job and we are very pleased.

**Mr STURGES** - Madam Chair, would we be able to get that works program document tabled now? A lot of the questions I had related to roads and work that was either commenced and not completed and if I could see that it might alleviate the need to ask the questions.

**Mr WALSH** - Yes.

**Mr STURGES** - I went through there yesterday to have a look and I can see that you are working.

**Mr WALSH** - And you are pleased with the work?

*Laughter.*

**Mr STURGES** - I am not an engineer. I can see that there is work being undertaken up there.

**Mr WALSH** - That document is dated early August of this year, so it is an up-to-date document.

**CHAIR** - We accept that a lot of the issues are before your time. Have you made yourself aware of the contract and the details between the Crown and the Central Highlands Council?

**Mr WALSH** - Yes.

**CHAIR** - In the copy I have the agreement was initially dated 23 January 2003 and then the '2003' has been crossed and a '4' put there and an initial. Do you have any knowledge of why a contract was drawn up and then it was 12 months before it was brought into -

**Mr WALSH** - When I commenced I picked that up. I don't know whether you are aware but a lot of pages were changed by the contractor and council staff. I am not saying who that was but a lot of the pages were not initialled and some financial pages were changed.

**CHAIR** - The only change that I have that is initialled is the date. I am trying to get a handle on when the council took responsibility. Was it 2003 or 2004, as per the agreement?

**Mr WALSH** - No, 2003.

**CHAIR** - So from 2003 on Central Highlands Council were responsible for the issues in this contract?

**Mr WALSH** - Yes, that is right. On 19 August 2002 the State Government and the council entered into a preliminary agreement and then, after that change, on 23 January 2004 the State and the council entered into the transfer and construction agreement.

**CHAIR** - So there is another agreement besides the one we have in front of us?

**Mr WALSH** - That was amended. On 23 January 2004 the State and the council entered into the transfer construction agreement which affected the transfer of the roads, the council taking on the obligation to carry out the roadworks and the State to compensate for that cost.

**CHAIR** - Right. To get it quite clear, on that agreement the roads were then transferred, along with finance?

**Mr WALSH** - Yes.

**CHAIR** - So in January 2004 the State Government, through the Crown, transferred total payment to the Central Highlands Council?

**Mr WALSH** - Yes.

**CHAIR** - Can you equate that then with a letter I have here to this committee from the minister that says a copy of the contract has been provided, which it has? 'The council was paid approximately \$4.1 million to complete the works. Payments were made in six instalments between January 2004 and May 2005 as the cost of works was required.'

**Mr WALSH** - That is right.

**CHAIR** - So it was not in one bulk amount, it was paid over six instalments?

**Mr WALSH** - It was. You are right, excluding GST it was \$3 696 850 which is about the full wrap.

**CHAIR** - Are you aware of any requirements as the instalments were paid for an audit or inspection by the Crown before it passed over the first instalment because *x* amount of work has been met?

**Mr WALSH** - All the instalments were paid before I got there so I really cannot comment on that.

**CHAIR** - Would your expectation be, if I as an individual were paying you to do some work for me on six instalments, that I would inspect that work before I wrote you cheque for the work?

**Mr WALSH** - I would expect that.

**CHAIR** - Thank you.

**Mr STURGES** - The only thing I would raise, apart from the issue of the road which I will leave aside because you have dealt with that - and I think I know what the response will be - is the communication process. Those people who chose to make submissions - and there are quite a few of these in relation to the Central Highland Council - were critical of the process of communication. I acknowledge that you have only been in the job a short time but I make that comment for what it is worth and perhaps you can take that on board.

There was another issue raised too and I acknowledge that people have to be flexible in their attitude but in relation to inspection of roadwork completed, one person who gave evidence yesterday in Ulverstone said it was difficult to get there during the week because they run a business. I wondered if council could be a little more flexible and allow maybe for a Saturday or a weekend for people to meet with officers on site to look at the works.

**Mr WALSH** - That is what has been happening. We have met with the Shack Sites Committee, which is about 80 people, twice a year in June and November. So the next one is 4 November but that has been a regular for quite a few years.

**Mr STURGES** - Maybe the communication process might fix this up for the person who made the submission.

**Mr WALSH** - Kim Bye is the chairman of that group and last time I was up there there were about 80 people.

**Mr STURGES** - Okay, that is all I have, because the other questions were on the roads - and the fire tanks, there are also fire tanks to be installed.

**Mr WALSH** - On the fire tanks, that was an agreement between the contractor and DPIWE, we were not involved with the fire tanks.

**Mr STURGES** - Yes.

**Mr WALSH** - There is a part 5 agreement.

**Mr STURGES** - But I note that you are planning to finalise installation.

**Mr WALSH** - Yes, that is being addressed with a contract officer from DPIWE.

**Mr STURGES** - Madam Chair, all the issues that I had and that were raised in the submissions have been picked up.

**CHAIR** - They are in that document, okay.

**Mr STURGES** - It was a good thing you had that document.

**Mr WALSH** - We have been getting regular reports through our superintendents, it has been excellent, thank you.

**CHAIR** - The Great Lakes area, as you would know, became quite a hot topic among people up there who had paid their money to the Crown in good faith and were wondering, when the road would be done. I personally had telephone calls from people saying, 'When it rains, the water's in my lounge room. I'm down here and it's up there'. What is your communication process now with your community? Are you using some concept to inform them of your time lines as you have in this?

**Mr WALSH** - We have and just recently when the rates went out, there were several pages in the mayor's column about the shack sites. Through the Shack Sites group we have been liaising on a regular basis and putting different information in the local papers and our digests and so forth. But the communication is very good indeed. I must say that in the last six months complaints from the shack sites people have been minimal.

**CHAIR** - Quite clearly you had a different arrangement to most of the councils around the State because initially the Central Highlands Council took the option of taking the money and doing the works and services themselves, so I can only ask this question in the time that you have been general manager. Have you had connections to the Shack Sites group within government that has been responsible for this process or has your responsibility been limited to the negotiations with the minister over issues outside of your control?

**Mr WALSH** - Our mayor has had numerous meetings with the minister and I have been keeping in contact with Kim Bye of the Shack Sites group on a regular basis. We have been - not just myself but also Gil - involved with staff of DPIWE on a regular basis and that communication is going very well. We have a very good understanding. Several of the employees lately with DPIWE have been very helpful. We are consulting and compromising very well.

**CHAIR** - Have you seen changes of faces within that Shack Sites Project Team in your time or have you been dealing constantly with one face?

**Mr WALSH** - I have been there 20 months and it has changed so much, and that has been a lot of the problem. A lot of the staff there are employed only on a contract basis; they have not been full-time and that has made it very difficult.

**Mrs BUTLER** - What about you, Mr Dillon?

**Mr DILLON** - The same thing, exactly that. From 10 October I started back up there with the group for the council and the people I initially started working with in DPIWE then are no longer there. I am dealing with two new people now. Not that that has been difficult in a real working sense because the people I now work with from down there have been part of that system within their own department and have a good knowledge of what was meant to be happening up there.

**Mrs BUTLER** - So you think the corporate knowledge has been maintained?

**Mr DILLON** - I think so, yes. Because it has been a long process we have had difficulty in some instances working out what was said, when it was said and how it was said. But, because of the closeness of the way we are working, we usually have found a compromise which also involves the shack owners. That has been our biggest source of

information. As the shack owners were taken on as part of this whole process, they had a lot of say in a lot of what was supposed to be done up there so they have a very good knowledge of what was said right from the start.

**Mrs BUTLER** - How did that come about? How was that decision made to take the shack owners along with you as part of the process?

**Mr DILLON** - Back then? I can't answer that either. I know they were part of the decision making on where their roads went and what was taken away and what was given. I am sure they were part of that process right from the start.

**Mr WALSH** - I think that goes back prior to 2002.

**Mr DILLON** - On the communication part of things, we have found it a lot easier now that we are up there full-time. We have a full-time supervisor up there through the week, so basically any phone call that comes through our office, and if people are having difficulty in getting up there, because we are on site all the time we have really overcome that problem. For five days a week we have a supervisor up there on site.

**Mr WALSH** - On Tuesday and Wednesday nights they all stay up there.

**CHAIR** - It would be a fair presumption that because of the earlier difficulties there have been a lot of lessons learnt and to overcome some of those earlier difficulties of the communication between everybody, the supervisor on site has been a decision of the council to ensure that you can rectify some of those earlier issues.

**Mr WALSH** - I think that is a good example that council should have done the work.

**CHAIR** - Do either of you have any closing comments that you wish to make to the committee?

**Mr WALSH** - No, but I would thank you for this opportunity. It is going very well indeed. I did go grey very quickly the first eight months but it has settled down and is moving on very well.

**CHAIR** - People have paid their money in good faith and now if they can see some solid action after some years of difficulties I think people generally are patient and will look to accepting what has happened in the past as long as they can see some results in the future.

**Mr WALSH** - The work that has been done since February is very good. I am not just saying it from a council point of view, but it is very good.

**CHAIR** - Thank you for the time you have given us today.

**THE WITNESSES WITHDREW.**