

Wednesday 8 June 2016 - Estimates Committee B (Brooks)

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Wednesday 8 June 2016

MEMBERS

Mrs Armitage
Mr Dean
Mr Finch
Ms Rattray (Chair)
Mr Valentine
Mr Willie

IN ATTENDANCE

Hon. Adam Brooks MP, Minister for Mining, Minister for Building and Construction,
Minister for Racing

Ministerial Office

Martine Haley, CoS
Rowena Cowan, Senior Adviser
Anthony Haneveer, Adviser
Chris Edwards, Adviser

Mining

Brett Stewart, Director of Mines
Kym Evans, Secretary, Department of State Growth
Bob Rutherford, Deputy Secretary Industry and Business Development

Building and Construction

Simon Overland, Secretary, Department of Justice
Dale Webster, General Manager Consumer Building and Occupational Services, Department
of Justice
Martin Shirley, General Manager, WorkSafe Tasmania

Stephen Morrison, Director Finance

Racing

Tony Murray, Director of Racing

Mark Sayer, Deputy Secretary (AgriGrowth), DPIPWE

Consumer Affairs

Simon Overland, Secretary, Department of Justice

Dale Webster, General Manager Consumer Building and Occupational Services, Department of Justice

Red Tape Reduction

Stuart Clues, Red Tape Reduction Coordinator

The committee met at 9.04 a.m.

DIVISION 9

(Department of State Growth)

Minister for Mining

CHAIR (Ms Rattray) - Minister, we welcome you to the Legislative Council Estimates process. We congratulate you on your ministry and look forward to a very productive morning on Mining, Building and Construction and then Racing.

Mr BROOKS - I am pleased to have Mining as one of my portfolio responsibilities. It is an industry that employs thousands of Tasmanians directly and indirectly, and it continues to be a major contributor to the value of our state's exports. Mining is a rich part of Tasmania's heritage and I have no doubt it will be an important part of our future. There is no greater or more consistent supporter of Tasmania's mining sector than the Liberal Government.

Low commodity prices are presenting a challenging time for the sector across the world and Tasmania is certainly not immune. The resilience of our mining companies, however, is impressive and highlights the long-term future this industry has in our state.

The Government is committed to encouraging investment in mining to help create more jobs, which is the Government's number one priority. Whilst we know Tasmania is mineral-rich with some \$11 billion in identified resources, attracting investors here requires that we be competitive with not only international entities or countries but also interstate jurisdictions. That is why a major new initiative in this Budget is about delivering new geoscience data and mapping to help potential explorers, which is very important. The \$1.4 million geoscience initiative program will provide new pre-competitive geophysical data

sets and geological mapping to ensure that current data which has limited currency can be updated and expanded. The collection of new geoscience data leads to a generation of new concepts and models that drive mineral exploration and the refinement of existing models helps to reduce investment risk for explorers.

The Government's relocation of Mineral Resources Tasmania to Burnie, the hub of our mining industry, is also about increasing our competitiveness by better serving the sector. In this Budget we provide an extra \$2.6 million over the next two years to implement stages 3 and 4 of the relocation, which will ultimately see MRT have its head office in Burnie while retaining the core library at Rosny. Together with additional in previous budgets this takes the Government's additional commitments for mining to more than \$5 million.

The Liberal Government is serious about doing everything we can to attract new investments and secure more jobs in the mining sector. I might ask if the Director has anything else to add in a general opening statement.

Mr STEWART - The relocation is progressing very well. We are very close to the completion of stage 2 which will see 10 staff in Burnie. The additional funds for geoscience will allow us, as the minister pointed out, to refresh and extend our data set, which is really important for primarily reducing risk for explorers who are looking to come here. That is our primary focus. It is about updating and extending our data so that when we are placed in a competitive situation with other jurisdictions, we are more attractive. That is a really fantastic boost for us.

Mr VALENTINE - Minister, the geoscience initiative looks like a pretty good, sensible collaborative venture which brings the three bodies together - the Tasmanian Government, UTAS and mining companies. With respect to that effort what are the co-contributions that are being made by the other partners in cash or services, expertise, equipment, et cetera, and how does this compare with the Government's expenditure?

Mr BROOKS - I might let Mr Stewart cap off on the specifics of the modelling and funding model of it and then I will cover some general comments at the end.

Mr STEWART - Whilst we don't have any formal agreement in place with the other parties that we partner with, there are a number of projects that we are working on both with the university and in particular codes and also with students and in three-way partnerships with mining companies. The level of funding is not a specific agreed value but we do share facilities, particularly the core library is very important for the university and for codes. We run courses at the core library. We have also got a number of students who are currently working on honours projects or PhDs who are using the equipment and accessing the core library. Some of those projects involve direct partnerships with mining companies. We have one student at the moment who is examining three kilometres of core at the core library over a number of weeks. He is also utilising our geophysical data sets and he is working in conjunction with MMG at Rosebery to improve their knowledge of the localised geology around the mine. That is a really good example of how that three-way positively impacts every party.

Mr VALENTINE - \$1.4 million is a significant amount of money. How long is that over, is that over - ?

Mr STEWART - It is over four years.

Mr VALENTINE - Four years, \$1.4 million over four years. It is a significant amount. There must have been a business case or something that detailed exactly how this was going to work. We didn't just pull the money out of the hat and say 'here, we will throw this at it'. You must be working off some parameters and in that consideration there must have been some analysis of what the other parties would bring to it, wouldn't there be?

Mr BROOKS - It's a four-year program and part of what we refer to when we assess these needs is what exploration companies are saying, what they are indicating and also what mining investment we are seeing. Part of that is peer-reviewed through things like the Fraser Institute Survey of Mining Companies, which is an annual report on perceptions with a set of criteria. It was identified by the director and his team in the department that we hadn't updated our geoscience data for a while.

It would prudent to remain competitive, because we don't. We just don't compete against other countries, we also compete against Victoria and New South Wales and every other state for the investment dollar within mining.

One of the first things that mining companies look at is the geoscientific data and the mapping of the mineral content of the region. That technology changes and the ability to maintain those changes with the requirements to blend different products and the ease at which that can happen. When you look at the circumstances of where we need to be to be able to fight for our investment dollars from exploration companies, it's imperative that we have up-to-date geoscientific data that is as current as possible. When we go to, as part of our initiatives, our investor attraction strategy which is three years into a four-year program, we can highlight the new geoscientific data and that is specifically what it is targeted at.

Mr VALENTINE - At the end of the four years, presumably you have some performance indicators out of that which you want to know whether you have met and got the value out of this four years of \$1.4 million or whatever it is. Do you have some targets that you are going to measure against to see that your money has been spent wisely?

Mr BROOKS - First of all, it is vital for us to even be able to compete, without guaranteeing a result, that we have that data up to date and available. That is extremely hard to measure against of course, because if we don't do it, we know we will be worse off.

Mr VALENTINE - But if you have a certain amount of data you are trying to achieve, all I can say is there must be -

Mr BROOKS - I will let the director cover the specifics of the program, but what we are looking at is the advice I got as part of the budget submissions, which was that the investment of \$350 000 a year after four years would be the minimum, or adequate requirement I should say, for that to make a difference. If it was less or it didn't happen, then would be behind the game completely compared to other states. I will let the director say more.

Mr STEWART - Just to clarify, the program isn't totally about partnering with industry and the university. That is a component of what we do and what we already do. The program is really about addressing a number of different areas that go to improving the data that we put out there, the pre-competitive data. As I mentioned before, reducing risk of

people who are looking to come here. There is a number of elements to that, including geophysical data, which is quite expensive to collect. Also, there is still a place for traditional geological mapping. The picture is built via a number of different types of data sets, not just new technology geophysical data, it's also about traditional geological mapping. We have a number of measures that we use to try to gauge where we are at. One of those is a currency and coverage measure of our mapping, which is quite a complex calculation but it basically gives a picture of the percentage of our data that is current and the level of coverage.

[9.15 a.m.]

We have some targets set out for that in the future. We also have some aspirations in the level of exploration expenditure as a percentage that Tasmania attracts nationally, so we have a measure on that by the ABS. We have a forward looking expectation and we would expect that to be maintained and hopefully improved given this investment.

Mr VALENTINE - Do you have a business case or some proofing paper that was provided before you made the decision - for our own information?

Mr STEWART - There was a budget submission put up by the Department of State Growth along with all the other submissions that went before the budget was determined. We wouldn't be able to provide that. I don't have it with me today.

Mr VALENTINE - Could I get a copy of that if it is available?

CHAIR - Can we also have the figures on the current and projected level of investment?

Mr STEWART - That is in the budget paper, in the output information.

Mr BROOKS - We are happy to provide an outline of what the intention of the program is and part of the management of it.

Mr VALENTINE - And what the deliverables are expected to be?

Mr BROOKS - We will have to take that on notice. With Tasmania exploration predominantly base metals is the significant part. In the north and the north-west, particularly, there is the highest mineral content per square kilometre of anywhere in the country. It is one of the highest global mineral content areas. We tend to attract because of the size of specific ore deposits. We attract more of the smaller explorers rather than the big ones such as Rio and BHP, which focus on the Pilbara and other significant ore bodies. For us to compete at that level, which is traditionally where we have always been, we need to give as much surety as possible that the data stacks up. The government's job is ensuring that as part of our investment attraction program we provide as much up-to-date data as we can. This is a very important and vital part of our investment in minerals.

Mr VALENTINE - I presume you capture some of this back with your fees and royalties? You are spending \$1.4 million so are you factoring this into the royalties?

Mr BROOKS - It is an investment. It is a bit like the chicken or the egg. If we don't have that data we don't get the job. We would expect, given the high mineral content and given our commitment to investment attraction and the ability through MRT to provide

wonderful service and the right data, we will fight and expect to be very aggressive and proactive in attracting the right investment. We cannot model it because we need the data.

Mr WILLIE - Has the geoscience initially been driven by the fact mineral exploration has collapsed under the Government? Spending in the March quarter is the second-lowest result since 2005, second only to the December quarter last year. Is that a response to that collapse?

Mr BROOKS - No, we have been working on an investment attraction program since we came to office. I am not sure how much time you have spent on mine sites but we focus on is the long-term strategy ensuring we are in the best place to fight for our investment dollar. Part of that includes looking at exploration programs, looking at decisions made by companies, and these are not made on the short to medium term. Exploration went up in the last quarter. I am not sure if you have read the full data around our exploration. The commodity price has affected every single mining company and mining operation around the globe, particularly in Australia.

If you compare our results to interstate results, if we look at the comparison between other jurisdictions, we are either in front or towards the front or in the middle. We are recovering from the perception by industry around the failed Labor-Greens experiment, which we all know about. Also, the fact that the commodity prices which we cannot control are having a dramatic impact. Drilling is up.

Mr WILLIE - In opposition, minister, you were quite happy to use that line of attack against the former government.

CHAIR - We need questions and we need answers. We do not go down that road.

Mr FINCH - About the lowering of commodity prices, is that reflected straight away in the exploration opportunities that companies might take on?

Mr BROOKS - Yes.

Mr FINCH - Is it the first part of the budget to be cut?

Mr BROOKS - Not necessarily. You will find you have an existing miner that may be operating in mining and have an exploration licence. They may have made a commitment to continue that exploration drilling. When that decision was made through boards or through capital expenditure - and drilling is jolly expensive so there is no getting around the cost of it - they may wind back that exploration program based on their reserves.

The other thing is the fact that most mine sites are not fully drilled. The whole lease is not drilled because of the expense. An exploration company or a mining company will get an exploration lease. They will drill a certain amount of test holes and shore up a resource that makes the project viable.

Once it is viable they will start operating and then use the funds from that operation to continue to expand the exploration and the drilling resource to shore that up. When commodity prices drop it goes to more of a maintain the status quo and hold our position because they do not have the surplus funds to continue the exploration as aggressively as they

would. You would see the trend across drilling and exploration across the board, which is what we have.

Our job as a Government is to make sure we put in place everything we can to encourage continued exploration. We are holding our own. As we saw from the ABS data drilling has gone up in the last quarter. Not a huge amount, 2 per cent is the number, but that is a really good indicator that there is more confidence in the market around exploration for Tasmania.

Mr DEAN - You said the mining industry employs thousands. We know that is more than 2 000. How many are employed in the mining industry?

Mr BROOKS - The latest numbers which I can get for you -

Mr STEWART - Just over 3000. That is if we include mining and mineral production, not just extraction but production as well.

Mr DEAN - Does that include the small mining operations, the tailing operations we have in the north-east?

Mr STEWART - That is an industry figure that includes everyone who is involved in mining and extractive industries. It includes quarries and so on.

Mr DEAN - The other question arising is on the move to Burnie of MRT. We have 10 staff there now and you are retaining an office at Rosny. What is going to be the mix? How many will be at Rosny? How many will be at Burnie? What is the plan there?

CHAIR - And the time frame, thanks.

Mr BROOKS - I might go through the whole process of the relocation of MRT. It may give some clarity.

Mr DEAN - If you would. I would like to know if any have moved on as a result of what is happening and also will you retain expertise necessary in that area at Burnie? Will you get that expert personnel?

Mr BROOKS - I will let the director answer because there have been some really good outcomes from this transfer.

Mr DEAN - The savings or additional cost because they are domiciled here in offices in Hobart and I suspect additional costs in what you are doing now.

Mr BROOKS - Yes, no problem at all. On the job one, there are 3300 according to the most recent data in the mining industry. That does not include the indirect jobs such as the tyre fitters that might work out of Burnie, that are not tracked. The many small businesses that support mining sector. I have been privileged to have a little bit of experience in the mining sector and those businesses provide a wealth of expertise and support are crucial but are not normally tracked under that.

Mr DEAN - Indirectly the employment could be up in quite significant ...

Mr BROOKS - It would be significant and I might add as the significant royalties that are given to the state through the sector and the economy. It is still one of our largest exporters. There are significant benefits to the still very strong and we want to make it stronger.

There were several purposes behind the reason for the decision to relocate. It was based on getting the best service we can to the mining sector. Not only from the Fraser Institute survey of mining companies and feedback from mining organisations I had discussions with, we felt there needed to be a strong commitment and message to the mining sector the government backed them.

When I was looking at policy development in opposition, a good way was to put the government body that services the mining sector where the majority of the mining sector is. They can have more approaches, deal on a day to day with them, and help them work towards the future. That was part of it.

Why does every government agency have to be based in Hobart? Is there a reason for that? If you look at the ATO, they are based in Albury.

Mr DEAN - In making that statement, the decision was made for you.

Mr BROOKS - I wrote a policy on it.

Mr DEAN - I thought the previous minister is the one that put it into place.

Mr BROOKS - He did, but I am giving the background why policy was written the way it was. The policy formation, the minister, Mr Harriss, and I will head to him in a second, it was written for those reasons and it also felt it would help the north west economy. There were several parameters as to why the move was done. It was accepted it was going to probably cost money in the short term. In the long term investment, part of our initiative mineral attraction was tied into this, if we grow the industry it will pay for itself well and truly over and over again.

When Minister Harriss came in - I would like to acknowledge the work not only he did on this policy initiative but also across the board. He is a good colleague of all the members here, and certainly I was privileged to continue the good work that he has done. He set about the staged process. It was a four-year program to relocate Mineral Resources Tasmania to Burnie. The announcement at Grange Resources when the now Premier made it, it was with the exception of the core library. Because of the work it does, not only alongside the university but because of the cost of relocating the core library, it was never part of the announcement, it was never part of the policy.

CHAIR - Four years; it is two years into the four-year cycle?

Mr BROOKS - We are about half way so we have just about completed stage two and I will let the director continue on with that. Stage 1 of the relocation has been completed and stage 2 is now nearing completion with nine staff now located at MRT Burnie along with an office of the Director of Mines. Two of these staff are existing MRT staff who have relocated from Hobart to Burnie. Stages 3 and 4 are in the early stages of implementation and are fully funded as part of this Budget.

[9.30 a.m.]

Mr DEAN - The staff who have moved to Burnie, are they permanently living there now or are they travelling backwards and forwards?

Mr BROOKS - They live there permanently.

Mr DEAN - They live there, they are permanent residents?

Mr BROOKS - Yes. I will let the director cover off on who we have in skill set because there were some concerns.

CHAIR - I think we need a fulsome picture of how many we have left in the south of the state, what happens with those with redundancies or the cost? There are some significant questions.

Mr BROOKS - There is no problem at all. We have never said they will be sacked or out the door.

CHAIR - If there is no job they will be somewhere.

Mr BROOKS - We will find alternative roles for them. These people are highly skilled and we value their contributions. I do not accept we cannot find those services in Burnie because we have proven we have been able to. We have also been able to find other roles for those who do not want to leave within government agencies, within government departments. I met one a week or two ago who is moving to Parks and Wildlife. I do not accept that we are sacking them.

CHAIR - Let us have some numbers, minister.

Mr BROOKS - I will let the director go through the numbers and who we have also been able to attract.

Mr STEWART - Currently we have nine positions in Burnie. By the end of this month, stage 2, will be complete and will have 10. Stage 3, which is a little bit more challenging as we have some significant system development work to do to enable that to happen. It is primarily around tenement administration service, which is very important to the industry and we do not want to risk delivery in that area. We are taking our time to make sure the system we need to have in place to allow them to be located in Burnie and operate effectively, are being developed.

CHAIR - Are we going to meet the time frame of four years?

Mr STEWART - Yes. The core library remains in Hobart. Currently and historically we have had two locations in Hobart. We have had the offices at Rosny which we share with the Department of Justice and the core library at Mornington.

CHAIR - Most of us have visited that.

Mr STEWART - Yes. The government owns the core library at Mornington. Part of the relocation plan, stage 4, which is now funded, along with stage 3, is to consolidate everything left in Hobart that has functions at the core library to the core library so we only have one location left in the south. That means we can vacate the Rosny offices which, from a whole of government perspective, is of great advantage to the Department of Justice.

Mr VALENTINE - Are they taking over that site?

Mr STEWART - I think their intention is. It has been indicated to me. The savings in rent for the Department of State Growth by moving from Rosny to the core library is approximately \$500 000 a year. We own the core library and it will also improve our functionality because we have the staff who use the core library and are integral to the function of the core library, located there. Primarily geologists but other technical staff and laboratory staff et cetera.

CHAIR - You will have to do some renovating at Mornington to accommodate the more challenging relocation?

Mr STEWART - It will be required. To a certain extent, some renovations will be required anyway, regardless of the implementation of the Burnie policy because we need to extend the core library and provide for some more room. We are also looking at improving our linkages with the university in terms of sharing equipment and laboratories. We are working very closely with them at the moment to scope that.

CHAIR - So the \$500 000 is going to be gobbled up fairly quickly.

Mr STEWART - That is per year. The way I look at it is the money we are spending is going to be paid back very quickly.

Mr BROOKS - Then it will be a future saving on the horizon. This is an opportunity to update our IT systems again servicing the mining sector more quickly and more easily. We have the resources on the ground in Burnie and on the west coast that bring a vast array of skills, a very good attribute to have when fighting for the investment dollar. Those who do not want to relocate, we will find a position for them either within the core library service function or within other departments of the Government. No-one will be made redundant or sacked.

CHAIR - So there are no redundancies?

Mr STEWART - No, so far we have successfully been able to place those who have had their positions identified to relocating. We have successfully placed them or they have found positions themselves within the state government. That has been a key focus for me, to make sure our people are getting good outcomes and can still add value to the state service.

Mr VALENTINE - Are any moving up?

Mr STEWART - We have had two move ups. I have one located there at the moment and another moving up this month. By the end of this month I will have two. It is fair to say I do not have a lot of interest from others to move up, but in most cases they either have roles at the core library or we will be able to find positions elsewhere in the state service.

Mr DEAN - Those who will not move and will be surplus to your needs here will move into another area? I think you mentioned Parks as one area they may move to.

Mr BROOKS - State Growth is one, DIER, roads and infrastructure.

Mr DEAN - You have to replace those people within MRT so they then become additional employees within the state service? Have you had any difficulty in attracting the right staff into Burnie through those who do not want to move?

Mr BROOKS - No, they will not be additional employees because these vacancies exist within other areas of government for whatever reason. We are transitioning them between departments into vacancies. Otherwise their role would be directly related to the core library. We are reviewing and streamlining that function. There may be some whose role becomes more involved with the core library anyway.

To answer that question no, there will not be additional positions created. It is not the intention and is why there is a four year time frame. It is appropriate to remember this is people's livelihoods and the decision they have made, so we are always wary of that. Whilst the policy is to go to Burnie, I do not why anyone would not want to live on the north-west coast. In my biased opinion it is the greatest place in the world. That is their decision and we will not force them, we never would.

Importantly though with the changes we have seen, we have been able to attract some wonderfully qualified people into the Burnie office bringing in skill sets. I think two or three of them have worked on west coast mines previously and they are now helping to support that.

CHAIR - You just said out of those we have not had any additional people come into the public service. They already worked for government?

Mr BROOKS - No, they were vacancies. What has happened is we have relocated Burnie if people leave their [inaudible] for whatever reason they may retire -

CHAIR - The seven new people who are working at Burnie are new to the public service?

Mr BROOKS - Yes.

Mr STEWART - Five of them are.

CHAIR - And two of them come from within government?

Mr STEWART - Correct.

CHAIR - So we have five new people added to the public service?

Mr BROOKS - No, no.

Mr STEWART - They are filling vacancies.

CHAIR - They are new into the system.

Mr STEWART - When this policy was announced we took the decision to hold vacancies we currently had in MRT. We had some vacancies at MRT, we were intending filling. As so as we knew we had this policy to implement we held those vacancies, so we could strategically fill them into Burnie.

CHAIR - What is our total FTE number for the agency?

Mr STEWART - It is approximately 42.

Mr WILLIE - Have you underestimated the cost of the move? The opposition spokesperson said \$1 million over four years can you confirm there is an additional \$2.6 million in the Budget and what is the total cost of the move?

Mr BROOKS - It is still halfway through the implementation so the total cost will be what it is at the end of it, but we have used this as an opportunity, which is what I have already outlined. The initial funding is to relocate from the Justice department into the expanded requirements of the core library given their initiatives and updating the IT, allowing us to be better on-line and have a deeper on-line presence. All of those costs are not attributable to relocating people, it is more to do with streamlining and rebuilding MRT into the most efficient service delivery agency we can. That is where the costs are so it is an opportunity to restructure whilst implementing our pro-mining policy.

CHAIR - The director said it is fully funded so what is the full funding for the relocation?

Mr BROOKS - Including everything it would be -

Mr STEWART - There was some money originally committed at the election so it is approximately \$4 million.

Mr VALENTINE - I was interested in the people that you are transferring out to other departments. Are they being transferred out to positions that are equivalent in terms of their status and band? They may be being paid at the same level, which I am sure they would be. The jobs that they are going into, are they jobs that are to their professional standing?

Mr STEWART - We have had a number so far and we are very hopeful that we will have more when we need to, but in every case so far each of the people who have moved into other departments have been suitability assessed. It is a formal procedure and they have moved into positions at the same level they were at and they have won that position on merit. It is not a case where they are being paid at a level and working at a different level. They are being paid at the same level that they were being paid when they working with MRT and they are undertaking duties in that new agency at that level.

Mr VALENTINE - And they are happy?

Mr STEWART - As far as I can tell they are very happy. In fact it has created some opportunities for some people.

Mr WILLIE - You were saying that some of the costs were getting us streamlined in other restructuring ventures, but would you have to do that if you were not moving?

Mr BROOKS - Possibly, yes. I do not know why the Leader of the Opposition hates government jobs in Burnie but we support the program, we support the project.

Mr WILLIE - That is not true.

Mr BROOKS - Does he support the move or not? The way I see it this is an investment in the mining sector. It is crucial that we fight for every investment dollar we can and it is as plain as you can see that if you put MRT, the Government agency that is there to support the mining sector where the mining sector is, you will get better results. That is backed up by the Tasmanian Minerals Council so this policy is supported by industry, supported by the Government, was supported at an election by the majority of the people and the cost is an investment in making sure we have the best government agency we can for the investment that we get. It will be focussed on getting every single investment dollar in mining we can and we will not apologise for that.

Mr DEAN - Is there any mining at all Tasmania south of say Campbell Town or Oatlands?

CHAIR - A little bit in the north-east.

Mr DEAN - No, I am not talking about the north east. I am talking down here.

Mr BROOKS - You can define mining as gravel pits and those sorts of things.

Mr DEAN - No, I mean mineral mining, not gravel.

Mr BROOKS - The director can handle the specifics of it.

Mr STEWART - There is no significant metallic mines south of Oatlands so obviously they are located predominantly on the west coast. There are some others scattered through the state, however, there are some very important strategic mining activities happening in the south and I think that is very important to point out. All of the construction activity you see south of Oatlands, roads, buildings, is supported by the important construction material industry in the south - quarries, sand and some other construction materials. Quite often that part of the industry is somewhat neglected because it's not significant but, without that, we don't have roads, we don't have houses, we don't have bridges et cetera.

There is also some important strategic industrial minerals in the south, including some dolomite in the Huon which is a relatively new development. It is servicing new farming and agriculture industry as fertiliser. Historically, that material has all come from the north of the state so now we have a resource in the south that is quite important, coupled with the irrigation developments. It is quite strategic. There are no significant metallic mines but the mining activity in the south is incredibly important for the State.

Mr DEAN - Thank you for that.

Mr VALENTINE - I have lots of questions about the Burnie movement. It is sensible because the bulk of the mining is up there and I don't have a problem with that. It is the logistics, the costs and whatever. With respect to the Core Library, was it just that it was so massive that it wasn't financially viable to move it? Who are the people that access it? Is it mostly researchers at the University of Tasmania anyway? Can you explain a little bit about that?

Mr BROOKS - I will start off generally and then I will let the director go through the specifics of the Core Library and where it sits. It is a really impressive place to go and visit.

Mr VALENTINE - I haven't visited it yet so I will pop it on my agenda.

Mr BROOKS - I am more than happy to possibly invite the council if they would like to go and have a look.

CHAIR - Some of us have been out and had a look. If anyone hasn't it is really worth a look.

Mr BROOKS - It is amazing.

Mr STEWART - If you haven't been in the last couple of years, there have been some significant changes.

Mr BROOKS - It was based on stories, cost and on the relationship with other agencies such as CORS and the university. There was a myriad of reasons. We were focused on service with the interaction more so between tenements and exploration licences and those sorts of things. That was the main reason behind the decision as to leave the library where it was, and it as expensive.

We were focused on achieving what we wanted to do with the relocation but at the best dollar for the taxpayer. There have been some questions raised around the cost but we see it as an investment. You look at the savings that we will achieve through rent because we are certainly paying a lot less rent in Burnie than what we are paying at the Department of Justice at the moment. Even if there is an additional cost that has given the additional infrastructure we required, ultimately it will be a cost saving because that rent saving will be forever. We already own the land where the core library is. I will let the director go through some of the more specific parts of the core library and the functions.

Mr VALENTINE - I am interested to know the number of people accessing that, where they are accessing it from, is it creating cost by having the offices in Burnie and therefore they have to travel to the core library - those sorts of things.

Mr BROOKS - It is mostly online.

CHAIR - Can we keep our questions and answers as brief as possible or, again, we will be struggling for time.

Mr STEWART - I guess the inertia of the core library in Hobart is significant. We have approximately 700 kilometres of core. We also have some expensive and very important analytical equipment that, even moving it, would be expensive but duplicating it would be

difficult to countenance or justify. As an example of building a new facility, if we had to do that, South Australia has recently commissioned a new core library at a cost of \$38 million. I guess that gives you an example of the cost of building a new facility.

In terms of the use of the core library, the highest users are MRT staff themselves. As part of their geological and analytical work, the core library is integral to that. We have a number of students using the core library. We had approximately 50 visitors to the core library from the university in the last two months. We also have geologists from exploration companies and mining companies visiting the core library regularly, along with academics and other people who are interested in our gem samples, et cetera, quite regularly. That is the visitation. Obviously, the linkage with the university is the main reason why maintaining the core library in Hobart is vital, apart from the cost of moving it.

Mr VALENTINE - So the MRT staff who are accessing it if they are in Burnie - are we going to have some ongoing costs associated with that?

Mr STEWART - The way that we are implementing the relocation is a restructure, so that the people whose functions involve the core library are at the core library.

Mr WILLIE - How many people were employed in the mining industry when you came to government, and how many people are employed now?

Mr BROOKS - Are you talking directly or indirectly?

Mr WILLIE - Directly.

Mr BROOKS - Currently there are 3300. In March 2014, there were around just over 5000, I believe. There has been a reduction of around 1700 positions in the mining sector.

Mr WILLIE - This one is a matter of public interest. You gave a commitment to the Premier in March that you would divest all your shareholdings and business interests. Can you update the committee on how that is going? Are you still the sole shareholder of Maintenance System Solutions?

Mr BROOKS - On the jobs, I will indicate that the jobs are back to pre-boom. I can give further information, if required.

Mr WILLIE - I have asked another question. You are not addressing the second question.

Mr BROOKS - Chair, with your indulgence I will answer the previous question briefly, then I will get to your next question. The jobs are up to 5000 - back to pre-mining boom figures, which we are comfortable with. But we will do everything we can to get every mining investment that is available.

Regarding the perceived conflict of interest, you asked about a specific company.

Mr WILLIE - Yes, Maintenance Systems Solutions - are you still the sole shareholder?

Mr BROOKS - Yes. But I will add that, as has been outlined by the Premier, I am not sure again how much the members are experienced in commercial business -

CHAIR - You have answered the question.

Mr BROOKS - I thought he had additional questions as part of that.

Mr WILLIE - Yes, I do. Are you going to divest your shareholdings in that company?

Mr BROOKS - There is a process in place at the moment through an independent agent. It was clearly outlined by the Premier and on my appointment as the Minister for Mining that I will be divesting my interests. That process is ongoing. In the interim, there is a protocol in place that ensures that there is no perceived conflict of interest.

Mr WILLIE - How many times have those protocols been enacted?

CHAIR - Order. This is questioning in review of the line item that we have before us. If members can be reminded of that, I will go to Mr Finch.

Mr FINCH - On the subject of employment, we hear a lot about fly-in fly-out. It is sometimes good and sometimes not so good for the industry and for people in the way it impacts on their lives. We have a situation where a lot have been going interstate as fly-in fly-out. How many of the 3300 actually fly in to Tasmania?

Mr BROOKS - The information I have is that it is very limited. That is based on the economics and the availability of resources. I have had the privilege of flying in and out as a worker in mine sites, but also living residentially in remote areas in Western Australia and Queensland. What I find is that in Tasmania there were very few fly-in fly-out positions. There may have been some where the mining contract was given to a major international or national company so they may fly some in and out. There may be some general managers that are fly-in fly-out but for most of them it is cheaper to find a local employee. They do not have cover the flights. I find the community and mining companies prefer locals and the availability of resources is there. As we see a ramp-up the mining sector, which is our priority, you will find that people who are currently flying and out of Tasmania to interstate mines would much rather be working locally on a drive-in drive-out basis from the north-west to the west coast or living on the west coast themselves.

Mr DEAN - That would also have changed, I take it, with the downturn in mining in Western Australia where a lot of our people are FIFOs.

Mr BROOKS - There has been a significant reduction in WA in FIFO positions and wages in a whole realm of mining areas. You only need to see the economic news of Western Australia to realise how much difficulty they are having. We are holding up well, given the national conditions. There are some little growth pockets in Queensland and New South Wales but we are holding our own. We have seen a growth in mining jobs over the last six months, which is great news. There will be more to come. That is our focus.

Mr VALENTINE - It is related to the line item in the sense Bendall Oil and Gas, Great South Land Minerals and Shree Minerals. I am interested in Shree Minerals in terms of their

performance with remediating sites. I know the EPA is involved. What involvement do you have with that?

Mr BROOKS - For the record, I haven't and I wouldn't involve myself with the EPA and their permit conditions, contrary to some of the Green claims; my office hasn't and my Department wouldn't. It is a matter for the EPA as a statutory authority. What I do know is that the EPA are working with Shree around the issues of their permit. One of the challenges is that Shree complied with the amended permit at the time and that permit is now being deemed to be invalid. There is an issue that needs to be worked through and the EPA is dealing with that as appropriate. Regarding Shree and dealing with Mineral Resources Tasmania, they tend to deal with the director regarding their lease issues. The advice I have received is that they are within their permit conditions for their operating lease but they are in care and maintenance at the moment. They are not mining.

We don't like to see any mine going to care and maintenance. We want to see them all operating but the EPA permit is a matter between the EPA and Shree themselves. I am not sure if Mr Stewart has anything else to add.

Mr STEWART - Not really, Minister. Only that I confirm that the company is in compliance with their mining lease conditions which we administer.

Mr VALENTINE - Great South Land Minerals was the other leg to that.

Mr BROOKS - I believe they are up for renewal or they have applied for renewal.

Mr STEWART - Great South Land don't hold any tenements in Tasmania at all. The tenements they held were either revoked or lapsed.

Mr VALENTINE - One was revoked not that long ago, wasn't it?

Mr STEWART - It was in 2013.

Mr VALENTINE - Just recently something happened in that regard. Maybe I have the wrong name.

Mr STEWART - There is exploration release area currently out which is how we advertise open grounds, a competitive process. A company called Tasmanian Oil and Gas, which does have some linkages to Great South Land -

Mr VALENTINE - Yes, that is the one I am thinking of.

Mr STEWART - It has applied for that area and we are currently assessing that.

Mr BROOKS - There is a range of criteria that is assessed on that.

CHAIR - Following on in that area, Mr Finch has a question he would like to put to the minister.

Mr FINCH - I just want an understanding of Venture Minerals and where they are at this time. We have been to Mt Lindsay and had a look over that area. I am wondering what sort of a space they find themselves in.

[10.00 a.m.]

Mr BROOKS - Venture Minerals are a key project in Tasmania. I have been on site and had a look. They appear to be a very good, professional, well-run business. The challenge with Venture Minerals is they were stymied by green front groups and by objections, which caused a delay in opening their first project and because of changing commodity prices it is now non-viable. A change in commodity price will see Venture kick off again. Unfortunately if they had been able to start when they first obtained their permits and approvals, rather than being delayed in court by the Tarkine National Coalition and their green mates then I would say they could quite possibly still be operating today.

Mr FINCH - They are in abeyance now waiting for conditions to change and may come back into the market.

Mr BROOKS - It is commodity-based is the advice that I have.

CHAIR - Is it fair to say that happens a lot in mining. The commodity price depends on how any given business is going at any given time?

Mr BROOKS - Commodity prices affect significantly decisions by mining companies on their exploration and what they are going to.

CHAIR - Milk prices.

Mr BROOKS - Absolutely. Mining companies aren't any different to any other business, it just tends to be more zeroes added to the revenue. It is a significant challenge for every mining company in the world. Gold is going pretty well at the moment. We have seen copper go up a little bit, but even CMT on the west coast is challenged by the commodity price. If I could wave a magic wand and fix the commodity prices we would have mining up and running.

CHAIR - Probably wouldn't need to be in this place, minister, if you could do that.

Mr BROOKS - I am here for the privilege of serving. It is a problem, but it can't be fixed by me.

Mr DEAN - Where are we at with Mt Lyell, minister? You might also cover off on Henty. There was a bit in the paper this morning about the Henty Gold Mine kicking off again. Could you give us an update?

Mr BROOKS - The challenge with CMT is we had those tragic circumstances where we saw three fatalities on site recently. I think all of our thoughts are with the families of those people. Their main concern at the moment is the commodity price issue. They have a proposal that they put to Government last year seeking an assistance program. That assistance program is still active if they recommence operations. It is around payroll tax and royalty exemption.

Mr DEAN - We did a site visit there 12 months ago. It was indicated to us that they were preparing at that stage to reopen. That was 18 months ago when we were there. Has it progressed beyond that?

Mr BROOKS - They are continuing in care and maintenance. I think there are around 30 on site at the moment, maybe a little bit less. I met on site a couple of weeks ago when I was at Mt Lyell. They remain committed to Tasmania and the project and their Indian shareholders are committed. They have gone well above and beyond in trying to maintain that site to keep it viable for reopening. Now ultimately it is up to the commodity price. If the commodity price comes up they will reopen within a week. There needs to be some movement in the price of copper. There has been some, but there still needs a little bit more. I won't speculate when that may occur. I am not a market analyst, but it needs to move still.

Mr DEAN - The Henty Gold Mine?

Mr BROOKS - Henty has just been agreed to be bought out by Diversified Minerals. That is really good news. The gold price at the moment is up and certainly gold is going fairly well. Diversified Minerals are part of the mining contractor Pybar Group. They will continue with their exploration drilling. One of the challenges with Henty under Unity was that exploration drilling is extremely expensive and there is no guarantee of return. Diversified have bought that or agreed to buy that. The reserves have pretty much been depleted by Unity without further exploration drilling. Now Diversified need to explore the deposits, do some drilling which is great for exploration drilling. Obviously our new member will be happy the drilling will be up again hopefully, or continue to grow, but more importantly it is about the production at the end of it. That is where the money for the Government is and that is where the jobs for the people are and while there is some associated with exploration and drilling it is nowhere near production. We are really excited about it. It is a great opportunity for a traditionally strong mine that has some good deposits but there is more exploration work to be done.

Mr DEAN - And the bauxite mine at Bald Hill, I questioned the Government during the year on this and the sale of the product. I think a paper is saying they have now got some further resource.

Mr BROOKS - That is still in care and maintenance. One of the problems was the market was flooded from Malaysia that really affected the production at that mine. They are still in care and maintenance. They had 40 000 tonnes stockpiled at Bell Bay and I believe they have just sold another shipment which is really exciting.

CHAIR - I bet it is for them.

Mr BROOKS - I am sure they are a lot happier having it sold and shipped rather than sitting on a stock pile.

There are some really exciting projects in mining across Tasmania. It is still a massive industry for this state. It is challenging but we will do everything we can to attract and fight for investment dollars possible. Australian Bauxite is another opportunity. There was a commodity price issue, mainly caused by supply and demand through Malaysia, but there is still some excitement there as well.

Mr DEAN - When that is in production what are the employment levels in the bauxite mine at Bald Hill.

Mr STEWART - Bald Mine itself is probably between five and 10. The company has other tenements which they intend to develop so they can have a number of feed stocks. When they do that they estimate the employment will be around about 40. The company is to be commended given the commodity price issue that they faced. They did some research and development and were able to split the ore into two components, which then allowed them to access a different market and make some sales. I think it is a very positive move.

Mr WILLIE - It concerns a question I asked earlier and I would argue that it does relate to the line item. If I could respectfully ask it again. The minister was talking about the special set of profiles. I just want to know how many times they have been enacted?

Mr RUTHERFORD - This is a matter that is dealt with by the secretary of State Growth and the secretary of Premier and Cabinet. Essentially we have a process and it is a very small set of issues that actually come up because an awful lot of the issues I have delegated to the Director who deals with them under that delegation. We assess and we have been briefed by the minister on what the companies do in the market. We needed to understand their functionality. We had a briefing on that. We review whether any material going to the minister would in any way involve potential interest. The secretary then considers that review and discusses it with the secretary of DPAC. It is an ongoing process that manages the entire flow of information to the minister. We have not found any potential conflict of interest in that process. If you consider the range of decisions being looked at and the nature of the information we provide to the minister in briefing and so on, you probably would not expect us to. It has its process issues but it has been a very effective way of dealing with the possible perception of any conflict.

Mr WILLIE - There must be a figure available, though. I am happy to put it on notice.

Mr RUTHERFORD - It is a bit difficult to put a figure on it when every piece of advice to the minister is run through the protocol. If you are asking how many pieces of advice have gone to the minister over the last little while, it would be a considerable volume, but we don't tend to track it.

Mr BROOKS - The times where there has been deemed to be a perceived or real conflict of interest has been zero.

CHAIR - I want to move to rehabilitation. I see on the table on page 254 there is 100 per cent of projects completed and the future target is 100 per cent, but there must be some sites that are still under rehabilitation.

Mr STEWART - That output measure is not every single mine site in the state or former mine site. That is the performance of the trust fund. The trust fund we manage, that is funded through Consolidated Revenue, has an ongoing rehabilitation program on abandoned mines. These are the projects that the fund expects to be able to complete and how many it has completed.

CHAIR - How many of those abandoned mines do we have in Tasmania that are still to be rehabilitated and how much do we have in the fund? Are they all fully funded?

Mr STEWART - Rehabilitation is dealt with in different ways. Current leases and licences have security deposits which the licensee or lessee has to provide. That is set aside for if they default on their obligations. Abandoned sites are dealt with primarily through the trust fund. As you can imagine, there are a lot of old mines in Tasmania. We are funded to the level of approximately \$150 000 per annum and we focus primarily on safety works. We are aware in certain areas of a number of open mine shafts and we have a program of capping those. Other sites, such as Royal George, we have done significant work there. I do not have a number for you on the exact number of abandoned sites in Tasmania. I expect it would be in the hundreds. We do not have all of them in the plan. We tend to do it on a risk-based approach where we identify sites that are of a particular safety concern or of significant environment risk and we deal with them on a prioritised basis. The program is managed through a committee which has representatives from all the land managers and the EPA.

CHAIR - How much is held in the fund?

Mr STEWART - The security deposits, which we hold for current tenements, is sitting at approximately \$55 million at the moment.

Mr FINCH - A bit of history. The Australian Institute 2014 report on state subsidies to the mining industry said that the Tasmanian government paid \$17 million in mining subsidies in 2013-14. I realise that is before your time. Would you care to comment on that and what projections might be for future subsidisation of the industry?

Mr BROOKS - I am not sure how they would count it. I am not sure if the director wants to add any more on that.

Mr STEWART - I imagine it may have something to do with the diesel fuel rebate which mining companies do not have to pay because they are not operating on roads. That may be a proportion of it. I am not aware of the Tasmanian government providing direct subsidies over that period. We may have provided some level of royalty deferral that is not waiver, it is deferral, which we then get back at a later date. I am not aware of any direct subsidies that we have provided. They might be commonwealth subsidies.

Mr FINCH - What I might do is pursue this line of questioning through question time when Parliament resumes. I might see if I can get some clarity around that subsidisation of the industry. I am happy to pursue it then. If you have something to provide to me that is fine.

Mr BROOKS - We would not have it. I will take it on notice if you prefer.

Mr FINCH - If you have something to provide that is fine.

Mr BROOKS - I do not with me but I will check. I am not aware of any subsidy given to any mining company other than those such as royalty deferral.

Mr FINCH - Shall we take something on notice and see if we can get an answer. If something fulsome is not forthcoming, I am happy to pursue that as you develop in your portfolio.

Minister, what are your projections now for, let us say, five years time? What are you feeling? We have heard some positivity from you. Where you do think we will be placed in five years time?

Mr BROOKS - I think we will be placed well. Taking the current market position into account, Tasmania is holding its own. We have positive initiatives that are all directed at exploration and improving mining but also supporting our existing miners. I would love to be opening some new mines but I am also focused on making sure the ones that we have stay here and remain as viable as possible. The commodity prices I cannot control. I have not met anyone that can control them.

We have such an experienced wealth of knowledge, amazing resources, the right environmental protections and we have an attitude as Government that we would rather be saying 'yes' than 'no' provided it meets all of the required criteria. The relationship with industry has improved significantly. I will continue on the great work Paul Harris did. I will continue to work with the industry and any miners that are looking at exploring.

Relocation of MRT is directed at the future of mining. The Core Library advancements and improvements are directed at the future of mining and how we position ourselves. We have put it in the best position we can, taking into account external factors. I see mining as one of the most significant contributors to the Tasmanian economy, not only now, not only historically, but into the future.

Mr RUTHERFORD - If I can make a few comments from a long term economic-

CHAIR - You really like this, do you not? This is your question, Rob.

Mr RUTHERFORD - This has been my stock in trade since 1990 when I was first educated by the Director of Mines, Rod Hargreaves, on the very different nature of the portfolio of mineralisation in Tasmania with its bias towards base metals. We have had an illustration today of a mine that is getting set to go, in Henty, because it gold. The great law is that when base metals are down gold is up because people fly to safety in terms of gold as a precious metal at a time of world uncertainty in everything. Five years is a tricky period because economists are good at saying where it will go but the turning point, if we could pick it, we would not be in government jobs; we would be in the Bahamas on our yacht.

The really important point is, we are sitting at the moment with a copper price that is half the price, approximately, that it was in 2011. Is that the bottom of the cycle? We do not know. The important thing that the minister has put his money on is a geoscience initiative so that we have the information ready for market when things turn, and they will turn. There are still large areas of the world that have huge infrastructure needs - China still, and India certainly, and we have the right portfolio of mineralisation for that future. We need to hang on to the fact that our mineral province is a new old mineral province, there is plenty there still to find.

CHAIR - What a fantastic note to end this area of scrutiny on, minister. I thank Bob for that little bit of economics. We get a lesson every year, thank you.

Mr BROOKS - I thank the two people I have with me.

DIVISION 4

(Department of Justice)

Minister for Building and Construction

Output Group 1

Administration of Justice

1.10 Workers Rehabilitation and Compensation Tribunal -

CHAIR - We will do the Workers Rehabilitation and Compensation Tribunal, minister, and then we will have a break for morning tea.

Mr BROOKS - As the new Minister for Building and Construction I am pleased to see the 2016-17 Budget continuing the Hodgman Government's commitment to the building and construction sector, the key pillar of Tasmania's economy employing close to 20 000 people across the state. The Budget sees further significant investments to support building and construction in Tasmania. In particular, \$6 million for 941 new homes under the Government's Affordable Housing Action Plan and a doubling of the First Home Builder's Grant at \$20 000, as well as \$1.9 million for the iplan online development approvals and building rules system.

These budget measures are underpinned by the Government's legislative and regulatory reforms to make it fairer, faster, simpler and cheaper to build in Tasmania to encourage development and create new jobs. The Building Bill 2016 introduced a streamlined risk-based approach to building and plumbing approvals that minimises regulatory and administrative costs and delays, while providing appropriate protections for consumers and the wider community.

In regard to WorkSafe the Tasmanian Government maintains its commitment to workplace safety. We want to see workers return home to their families at the end of each shift. We want to see fewer injuries at work and we want workers who are injured to be supported in their return to work. WorkSafe Tasmania is focused on improving Tasmania's safety, injury and management performance. Their Health and Safety Advisory Service continues to support small and medium-sized businesses to manage the health and safety in their workplaces. In the first three quarters of 2015-16 they assisted over 453 businesses and conducted 251 health and safety presentations and information sessions. I am pleased to update the rate of serious injury, overall lost time, serious claims and serious claim frequency rates have all decreased for Tasmania.

In the Consumer Affairs component of this portfolio we have seen significant reforms driven through finalising national agreements, in particular the clarification of free-range egg labelling and reforms to the country-of-origin labelling. Consumer Affairs also continued to ensure that information regarding product safety recalls was quickly disseminated, with items

subject to recalls including hover boards, Apple wall adapters and water bottles from particular back-to-school packs.

The 2016-17 Budget shows Tasmania is back on track but we know there is much more work to be done to maintain momentum and ensure we maximise every opportunity to make our state the best place in which to live, work, invest and create jobs.

CHAIR - Thank you very much, minister. A very diverse portfolio you have.

Mr DEAN - Are there 20 000 engaged in this industry?

Mr BROOKS - Building and construction is continuing to grow, Mr Dean. We estimated it is just slightly under 20 000. You cannot count the ongoing benefits of the building and construction industry.

Mr DEAN - With the \$20 000 first home builders grant, that number has increased. Is that over the past year?

Mr BROOKS - the first home builders grant, which was announced in this Budget as doubling and increasing -

CHAIR - Reinstated, minister.

Mr BROOKS - Well, no, it was already in place at the moment for \$10 000.

Mr DEAN - I asked this question because a few years ago we had the big slump of our builders exiting the state. Are we able to keep that demand?

Mr BROOKS - We have seen growth in residential construction over the last couple of years. We get a sense from industry and from the projections that it was going to be challenging to maintain. We could see a potential drop-off. One of the concerns that we have is in the north and the north-west of the state. While we see a building boom, you could say, in the south of the state, there is not as much in the north and the north-west. We are really concerned about are focussed on ensuring growth continues in the north and north west and the first home builders grant is proven to have a big impact on the economy, to create the stimulus that need and get the money throughout the community. Indications I have received from builders is that it has made an impact already. I was talking to a developer a couple of days ago about how they are going and they have said they have moved a couple of blocks in the first week or two since that announcement was made.

It is an important aspect of what we do. I think it is supported across the board so it is a really exciting policy announcement and it continues to make it one of the most attractive places to build in the country. It is the most attractive first home builders grant of any state and if you compare housing prices in Sydney or Melbourne or Brisbane to Tasmania, it is comparative. We are a huge incentive and I think we will see the results of that continue.

Mr DEAN - It is interesting about the development here versus the north west and the north. I went through the architectural awards in Launceston a couple of weeks ago and of the first 15 photographs I saw on the board, I think 12 or 13 were in the south of the state, and two or three were in the north of the state so that identifies very well with what you said.

Mr BROOKS - Even from tourism, regional dispersal has been an issue and we are focussed on that as a government and we need to make sure we do not just look at the commercial construction industry as one. It is about the mum and dad builders, if we can call them that, all around the state in regional communities. So along with their investment in schools and affordable housing and things like that, it is also really important, with the building reform that we are debating currently, that is part of that whole strategy to make it easier and cheaper and simpler to build and construct in Tasmania. It is not about one size fits all, one policy will fix everything, it is about a suite of reforms and changes that when you add them all up it has a significant impact on the market.

Mr DEAN - As a result of this growth in building, are we seeing many mainland builders come into the state at the current time?

Mr BROOKS - Not that I am getting informed about. I have not seen or heard a groundswell of them. The director may see a change in licensing applications but the feedback I get from builders is that there is not the competition from interstate or a builder moving back down here or anything like that, it is about making sure we do not rely on the southern based building projects or numbers saying that is it, we have fixed everything for the state because we know, and as you would know, in the north they do have some challenges. When we fix up the regulations to allow the construction of units above shops, in Launceston in particular, where there are businesses downstairs and they would like to convert them to residences upstairs, it is a simple change in the regulation that now allows that a lot more simply and makes it cost effective, and it can have an impact on the economy of Launceston, as an example.

Mr DEAN - I have an overarching question. Can you explain the rationale for including all of these outputs under one portfolio and how they all relate to building and constructions and there are some concerns that some do not?

CHAIR - They have been moved from Justice and we were wondering what was behind the move.

Mr BROOKS - I think if you look at when I was appointed minister the Premier took the opportunity to streamline some core synergies across different departments and if you look at building, construction, consumer affairs, those things are fairly closely aligned and it was effectively a decision by the Government that it would provide a more streamlined approach to it so even if you look at it within the higher risk employment sectors of mining and building and construction, it also makes sense to look at me having carriage of workplace safety as well because if you looked at the numbers of injuries, I would say they are heavily weighted towards those sectors. I think the Premier and the Government took it as an opportunity to streamline the approach.

CHAIR - Minister, the building industry has always had some concerns about the different requirements from all the local government areas. Do you want to make a brief comment about how you think we are addressing that issue? I hear that is one of the major frustrations. I have heard it for many years in this place and we still seem to be a way off of addressing some of those matters. What is your department doing in regard to that?

Mr BROOKS - If you look at the biggest thing we are doing in this is changing the regulatory framework and looking at the building reform package that is being debated at the moment. It is a significant game changer for the way the industry interacts where we are transferring from a permit based system to a risk based system. That will have a massive impact on the building and construction section.

It will make it easier for 90 per cent of the construction work, taking out hotels and the major things. Residential work in particular, it will make it a lot simpler and a lot more effective to work through. If you couple that with the introduction of a risk based approach, the reform around our statewide planning system, and also the work on iplan which is about integrating that on an electronic basis. I can go into more detail at a later point if the members have a question. The building bill makes it simple.

CHAIR - We are still 12 months away from the implementation of that.

Mrs ARMITAGE - Aren't we on rehab and compensation?

CHAIR - Because this is building, we have used the overarching introduction to ask some questions.

Mr BROOKS - Without predetermining what the upper House may or may not do, we know the building bill has been passed but there is another three bills to go with that. Once those bills, hopefully, are accepted by the upper House, our intention is to have this up and running by 1 January.

CHAIR - No. The timeframe has been pushed out to 1 July, is my understanding. Is that not the case?

Mr WEBSTER - It was 1 July 2016 and we have pushed to 1 January 2017.

CHAIR - Apologies.

Mr BROOKS - When we went through in the briefing, Ms Rattray, we want the bills through, but then we would like to have three months of communication and training and development. In line with feedback from LGAT and some council GMs, which asked for a 1 January implementation date, that is when we will be up and running with it. It will happen in six months.

Mr DEAN - How many cases are dealt with in this area and the nature of the cases? I think asbestos is still in this area, isn't it? If I can have the number of cases brought into the area of the Rehabilitation and Compensation Tribunal that they have dealt with during the year, but then if you can tell me the number of asbestos and the other cases coming in and I would like to know a bit about the nature of cases.

Mr BROOKS - As for the Workers Rehabilitation and Compensation Tribunal and their budgetary outcomes and performance, the level of funding allocated provides the effective operation of the tribunal. Their annual budget for 2015-16 was \$1 666 810. As at the 30 April 2016, it was \$1 384 500 and the actual expenditure was \$1 191 958.

The tribunal moved premises in Hobart effective November 2013, following the conclusion. The Workers Rehabilitation and Compensation Tribunal hosts the Asbestos Compensation Tribunal as well. The tribunal provides the most effective and efficient dispute resolution. Referral numbers to the tribunal in 2014-15 were slightly less than 2013-14. However, they remain greater than the experience of previous years. Present indicators are that there will be higher referral rate.

Mr DEAN - And the nature of some of those cases? It is the types of cases that I am more interested in.

Mr BROOKS - I will have to take that on notice regarding the Tribunal numbers, and we can get you specifics around that. The Asbestos Commission has heard four cases since 2004.

Mr DEAN - Four?

Mr BROOKS - Yes.

Mr DEAN - My other question was in relation to the cases in this area referred to by employers and employees' insurers. Where are the majority of cases coming from into the Tribunal?

Mr BROOKS - From insurers?

Mr DEAN - I think the cases are brought into that area. By reading in the notes and so on, cases are referred into the tribunal by employers. Employees do it and insurers. So is there a breakdown of the cases brought in by each area?

Mr BROOKS - Where there is a dispute, that is when it would go to the tribunal. So we can get a breakdown.

Mr DEAN - Can we have a breakdown of the cases being brought in, and what areas seem to be the issues of concern?

Mr BROOKS - We can take that on notice as well.

Mrs ARMITAGE - Just regarding that, is there a large backlog with cases?

Mr BROOKS - With the tribunal? No.

Mrs ARMITAGE - So things are fairly up to date.

Mr DEAN - How many staff are there in the area?

Mr BROOKS - FTE at 1 June was 6.8.

Mr VALENTINE - Just with respect to the oldest cases, how many cases do you have that are over 12 months old?

Mr BROOKS - We will take that on notice regarding the specific numbers of how many they have, what the main issues were and also whether there are any that have been delayed.

Mr DEAN - We give notice don't we, Madam Chair?

CHAIR - Yes, we do. You will get a letter, Minister.

Mr BROOKS - No problem at all.

CHAIR - Any other questions in this area? If not, I think it's a perfect time suspend for a couple of tea.

The committee suspended from 10.44 a.m. to 10.56 a.m.

Output Group 3 Corrections, Enforcement and Consumer Protection

3.4 Consumer Services -

CHAIR - We shall resume. Minister, invite you to have a look at 3.4 Consumer Services.

Mr VALENTINE - What consumer services and protections are there in this little bucket of money? Can you describe what those services and protections are?

Mr BROOKS - I will get the director to outline specifically the day-to-day functions of the role, so you can understand that.

Mr WEBSTER - The Consolidated Funding to the consumer covers the activities we undertake around the Australian Consumer Law. We have a national harmonised law across the country. So the 1.8 covers the advisory service we provide to the public. The first stage of that is through Service Tasmania. You ring the Service Tasmania number; it then comes through to us if it needs to be escalated. That is the advisory.

The compliance is on the road, doing activities. For example, just before Christmas we did promotions around the exchange and refund. Coming up in the next few weeks we will do a promotion around lay-bys, when the mid-year sales are happening. It is those sorts of activities. Then there is the hard end of compliance, such as investigations and those sorts of things.

Mr VALENTINE - Building and construction?

Mr WEBSTER - Building and construction comes under 3.5.

Mr VALENTINE - In terms of consumer services, do you handle complaints associated with building and construction?

Mr WEBSTER - Depending on the type of complaint. For instance, members may be aware of the recent efforts with VIP Sheds in Launceston.

Mr VALENTINE - No, we are not.

Mr WEBSTER - It was a shed company that went out of business. It looks like it a building and construction issue but it is really a consumer issue. Building complaints and building disputes are dealt with under building standards under output 3.5.

Mr VALENTINE - I am interested in the activity levels. I know you have 95 per cent fixed within 60 days but 95 per cent of 20 compared to 95 per cent of 4 000 is quite a disparity in terms of the amount of time. Can you give us an understanding of how many times a service has been accessed or cases handled?

[11 a.m.]

Mr WEBSTER - We are receiving 2700 calls a month throughout the year. They might be anything from really simple enquiries through to quite detailed investigations. The number of investigations across the year is around 100. This is where it has gone past advice. We need to actively be involved. It can vary from anything from - 'I have asked for a refund and they won't give it to me', basic advice, through the VIP shed situation which involves a total of 66 consumers and nearly \$500 000 worth of activity. It does vary.

Mr VALENTINE - I have concern with goods coming from international sources, China or whatever. How many people do you have coming to you with issues with goods received? Expecting in some way Australia has some handle on the quality of the goods coming across their shores, things like power plugs. I noticed on one item, a power plug does not have the protective plastic in the upper part of the pin. What role do you play with those sorts of goods and do you advise other jurisdictions as to what the standards are?

Mr BROOKS - It is an important aspect of certification, especially for electrical equipment, given the consequences if it is not certified or not within the standard. We have seen examples where electrical wiring or electrical wire for houses has been under the standard. I believe it was manufactured in China. This has caused some houses to be burnt down. Some people have purchased at [inaudible] and put it in without due checks. There are several steps at the federal level taken to approve or certify a certain product. Sometimes some of these have come in to the market where we have had a challenge. I know the director may cover off briefly on things like hover boards. There were some problems around them.

Mr VALENTINE - It is a classic example. When you discover something, obviously it is not your duty to inform the source presumably. You must do something. What is the process?

Mr BROOKS - There is a process around and I will let the Director answer the specifics. It is important it is acted on quickly. One of the challenges is not only notifying the supplier, but it is tracking where these products are in the market place and how many have been sold.

Mr WEBSTER - Across all jurisdictions in Australia is our Product Safety Group which meets by phone once a week. We keep each other updated about recalls happening at a state

level. We also make sure we have input to national recalls. In addition, we have a role in this state when finding something to undertake the investigation. We then pass information back into the national chain.

Ministers at their Consumer Affairs forum in June last year, which was the previous minister, and building ministers at the Building ministers' forum last year. Both put in place programs with the Commonwealth government. We are trialling a process where Border Force provide information to consumer regulators about types of products coming across the border that may be of concern to us. We flag to them that we want to know about hover boards coming across the border. On a monthly basis we get reports about those things coming across. This is a trial period to see the sort of information and be more proactive. In terms of consumer guarantee or consumer warranty of a product, the closer you buy it to home, the more protection you have. If you are buying from a local retailer, then the warranty situation can be sorted out at a very local level. If you are buying it on line from within Australia, you have the same protections, but it is a little harder to do. If you are buying on line from overseas, it is incredibly hard to enforce your warranty.

CHAIR - Buyer beware.

Mr WEBSTER - Exactly. The closer to home the easier it is to track. In terms of recalls, through the minister, I have an example - and it is the overboard - of a complying product. It is what we encourage consumers to look for, is the Australian Standard information on the charger that comes with that.

Mrs ARMITAGE - They catch on fire, do they?

Mr WEBSTER - It is not the charger, it is actually the battery that causes the problem. Once members have that, I will take you through what we are talking about. The one that is front of you is a complying one, purchased at Shiploads in Hobart. It requires the Australian standard. The important thing about that, it has protections, once the craft is charged it will switch off. The Australian standard is fail safe.

A product that does not have Australian standard may not turn off. What you see inside a disassembled hoverboard, on the next page, is this blue area which is the lithium battery pack. The way a lithium battery works is it fits in equilibrium inside it. You have a number of lithium cells, a number of copper cells and a number of CO₂ molecules within the battery. If the battery gets too hot and overheats the copper cells drop to the bottom of the battery and causes a short in the battery and causes the battery pack to catch fire.

If you look at the third page, this house at Clarendon Vale burnt down. The first photo shows the hover board in situ in the house as the source of the fire. The second one, where the heat source is within the hover board, precisely where the lithium battery was. At the moment the federal Assistant Treasurer, the Honourable Kelly O'Dwyer, has put an interim ban on the sale of 21 versions of hover board across Australia, all of which do not comply with the Australian standard in terms of how they charge. There is ongoing investigation into different fires around the country. A total of now six fires, including the one in Tasmania, have been sheeted home to hover boards over heating.

Mrs ARMITAGE - The home owner could have a claim against the hover board.

Mr WEBSTER - Exactly. But again, in the case in Tasmania it was purchased on-line from overseas. It is so hard to police that.

Mr VALENTINE - There is a specific site on the net, banggood.com, which you can buy Christmas lights and those sorts of things. They have the Chinese two-pin plug and send you an adaptor. The adaptor has the two steel pins but it does not have the plastic protection at the top of the pin. Obviously, is not something approved in Australia any more.

Mr WEBSTER - Those sorts of adaptors would not be approved, but the second part of it is that there is no guarantee that the charger part is fit for purpose. There are two things wrong with that.

Mr VALENTINE - There is no charger involved in this case. But I am wondering what a person does.

Mr BROOKS - Does it have a transformer?

Mr VALENTINE - No, it does not, because it is direct from the power point. There is no transformer, but what does a consumer do? Do they come to your service? Is that what happens?

Mr STEWART - We would encourage anyone buying a project from overseas is firstly to ask the question of the online provider 'Does this comply with Australian standards'. That is the first question. We would also encourage the closer to home rule in terms of this stuff. If they do feel they need to purchase from overseas they should be asking the provider 'Does this meet the Australian standards'. The second part is they should be looking for the Australian standard provision on the pack which you see there on the charger in those photos. The third thing if it does not have that, get it checked by a licensed electrician as to whether it is safe or not before you use it.

Mrs ARMITAGE - That would cost them more than the goods though.

Mr STEWART - Exactly. Again we come back to closer to home needs to be weighed up against that.

Mr VALENTINE - Can you provide the total amount of money held by the Rental Deposit Authority? I will give you a list. Total amount of money held by the rental deposit authority, the number of bond commencements each year for private rental bonds and social housing rental bonds, the average value of bonds held, the value of interest earned annually on bonds held and the balance of funds remaining after operational costs for the rental authority are deducted.

Mr BROOKS - In the period from 1 May 2015 to 30 April 2016 the RDA processed an average of 1532 bond lodgements and 1700 bond claims per month to reach a total of 18 395 lodgements and 20 394 claims for the year. Rental services is funded from two sources which is the interest from bonds held in trust and the transfer from the Property Agents Guarantee Fund surplus. As at 30 May 2016 the RDA holds \$39 613 616 in bonds which is an increase of around \$2 million this financial year. RDA received \$18 005 537 between 1 July 2015 to 1 May 2016.

Mr VALENTINE - Is that for private rental bonds and social housing rental bonds? Is that combined?

Mr BROOKS - Yes.

Mr VALENTINE - Do you have a split?

Mr BROOKS - I could take it on notice. It is challenging to get it out of the system so it may take a little bit of time. I believe they will probably have to apply it individually and then run a calculation on it.

Mr VALENTINE - Is it like a week's work.

Mr BROOKS - It is.

Mr VALENTINE - Okay, do not worry. I do not want to cause you that much.

Mr BROOKS - I just have a little more information regarding your series of questions. The cost of administering the Act from 1 July 2015 to 31 May 2016 is \$1 038 263 in Cbus and \$380 000 in the Magistrates Court. Year to date RDA has received \$475 417 interest payments although a further interest payment of around \$400 000 is expected in June 2016. The expenditure for administration of the act exceeds revenue and the shortfall is made up from the allocation from the surplus held in the Property Agents Guarantee Fund. This year the additional allocation made for this purpose was \$830 000. The number of bonds held is 39 035 and the average bond held is \$1014.

Mr VALENTINE - It seems it would take you a while to work out the split. Is it worthwhile knowing? For you to know what the split is or don't you need to understand that?

Mr STEWART - It is not something we need to understand because it does not matter to us who the owner of the property is. It is really holding the bond.

Mr VALENTINE - Or what the property is.

Mr STEWART - And what the property is, exactly. It is something that, having had these questions in advance, I looked at this morning. We would actually have to go through provider by provider and basically extract the data manually to work out who is social and who is private.

Mr VALENTINE - I was interested in the social split side of it and whether that would be useful information. You are telling me is it probably would not be, but it might be inquisitive to know but I am going to give you a week's work just to find that out.

Mr DEAN - Have we got people out there that are not paying in the bonds? Is that an area of concern or are we satisfied that the great majority are complying with this law and paying in the bonds as they receive them?

Mr WEBSTER - We believe there are some bonds out there where the landlord is keeping the bond and not paying it into the rental deposit authority. We get complaints from

tenants who make a claim for a bond that we are just not holding. That probably happens two or three times a month, so we investigate and we could infringe the landlord..

Mr DEAN - Have any of those defaulters been taken to court? Has any processes been taken against any of those people?

Mr WEBSTER - We have not taken any to court in my time as Regional Tenancy Commissioner. We have issued infringements against landlords for failure to lodge with us. Generally we find it is a lack of knowledge on the part of the landlord about the process so it is about promoting. It is probably 30 or 40 we find a year against 39 000 that are actually paid in so it is not a huge issue. As we find it we investigate it.

Mr DEAN - The question asked of me on occasions is they don't have to take a bond. A lot of landlords are seeking to go down that path, they do not take bond but there are other charges they put in there. The number of defaulters, and we have some detail on page 114, of consumer complaints resolved within 60 days, and I think we are getting some details on that? What are the number of defaulters, consumer complaints resolved within 60 days?

Mr WEBSTER - As I said before, the number we have is 2713 per month of which about a hundred per year escalate into full investigation. Our objective is to have those resolved as quickly as possible.

Someone like VIP Sheds is going to take us more than 60 days to resolve because of the interaction with the administrator, with other states and with ASIC. Most are resolved within one day, but there is always going to be the case like VIP Sheds that goes over.

Mr DEAN - What is the number of complaints, by people renting properties, at the end trying to get their bonds back? That is the issue.

Mr BROOKS - I will refer to the directors for that. The advice I have is that public housing tenants do not pay bonds.

Mr VALENTINE - Public housing tenants do not pay bonds?

Mr BROOKS - No.

Mr VALENTINE - What about the third-party housing providers like Anglicare.

Mr BROOKS - I will have to check that again and if we could find some more information on it without trolling through every single, individual record.

CHAIR - We will have the Minister for Human Services this afternoon so we may be able to ask then.

Mr VALENTINE - I don't know they are going to be able to get this information if the source doesn't keep it.

Mr BROOKS - The director may be able to add to it.

Mr WEBSTER - Social housing providers do charge bonds but they tend not to be the full market rate of four weeks worth of rent. They tend to be differential. If the person has a good record of renting, the bond tends to be quite low, but if they have a poor record of renting then it tends to be a larger bond.

Mr VALENTINE - The social housing providers are probably wanting to know the split between private rental bonds and social housing bonds so they have some understanding. Is there any way the system can capture this information in the future?

Mr BROOKS - We can take your comments on board and ask the question.

CHAIR - Maybe from 1 July this year you start recording that information and then in 12 months time we will have a picture.

Mr VALENTINE - It is a system upgrade or a tweak of some sort.

Mr WEBSTER - Year to date this financial year we have had 2452 rental bond disputes out of a total number of payouts \$20 394. That is around 10 per cent. If the tenant agrees they have done some damage and the landlord claims the money, the act still sees that as a dispute. We call it a 'unilateral dispute' so that is included in that figure. Genuine disputes between the landlord and the tenant would be about half that figure.

Mr VALENTINE - I am not sure one question was answered: the balance of funds remaining after operational costs for the RTA are deducted.

Mr BROOKS - It is a deficit of \$830 but in their account they hold \$39 613 616 in bonds. My understanding is they do not take the deficit from that, they either use interest gained or top it up with a grant from the Property Agents Guarantee Fund. They do not use the bond money to top up their operating deficit or their budget. It is solely there, they have the interest, and then they get it from the Property Agents Guarantee Fund.

Mrs ARMITAGE - I notice on Facebook you have a very good site called 'Tasmanian Consumer Building and Occupational Services', however it only has 254 likes. What are you doing to promote it? When I looked through it, it has a lot of interesting information regarding things that are recalled, what is happening with a variety of acts, plumbing services et cetera. How do people find out about it? I came across it by accident. I have seen a few items there that I know now not to buy. It is a great site but the fact only 254 people like it, how do they find out it is there? Is it on the website for Consumer Affairs?

Mr BROOKS - One of the things that is really important, and I mentioned this in the building bill, was about communication from government. Not a relentless stream of irrelevant stuff and I am not saying we did. If we change a law we need to tell the people it impacts what has changed and how they can influence it. I suppose the change in attitude from this Government is with the building bill we had three months of communication and explaining the impacts.

It is no different to the questions as to how to we communicate product faults or the information that people need. I certainly think it has been something that we have been proactively discussing and working on. Things such as reinstating the magazine. It used to

get sent out electronically but no-one read it and the feedback was they want the hard copy sent out. Sometimes electronic is not always the way to go.

We are wary of the need to make sure we provide relevant information as quickly and easily as possible. Social media is a wonderful platform for that. You also have to filter it between giving people a deluge of information that they delete or ignore and making it relevant to give them the information they need. I will let the director go into more detail about their communications strategy.

Mrs ARMITAGE - The site is really good. It does not seem to have too much on it. It has relevant information. I thought it was a good site that should be promoted.

Mr WEBSTER - The site you have there is aimed at the building practitioner's side of the business. We have the Consumer Affairs and Fair Trading facebook site as well, which has 1441 on that one. That has grown from around 60 at Christmas time. We are actively promoting this one over that one.

Mrs ARMITAGE - Can I suggest you only have one and not two. This one is called consumer as well.

Mr WEBSTER - That is why we are going to close that one down. That is why we are promoting this one. It existed because the organisation came together and was two and now is one. We are putting messages on both but that one we are not promoting, this is the one we are promoting.

Mr VALENTINE - Would that not provide a conflict of interest? On the one hand you are advocating for the industry but on the other you are taking in complaints. You would have to be careful not to set up a conflict, would you not?

Mr WEBSTER - We use it in terms of messages to consumers around recalls, around what is going on. For instance, we do have a link to the TasAlerts. It promotes that so people hear about the warnings, scams and those sorts of things. It is not about advocating for a particular business. It is about putting warnings out there and how we use this medium.

Mrs ARMITAGE - A nice thing about this one, and I am just looking through it, is it does not have lots of comments from people. It is purely coming from the site. You can look and see rather than having to troll things that people may put for one reason or another.

CHAIR - Okay. I think we have done enough social media.

Mrs ARMITAGE - It is very important, Chair, for people to know what is happening.

Mr VALENTINE - It does point up that issue, internally, in your department, how do you handle that? If you are advocating for the industry on one hand and handling complaints on the other presumably you have internal protocols that stop conflicts arising?

Mr WEBSTER - You do have to have a separation of that. That is why we have a separate compliance unit to our technical advisory units. It is important that the fair trading is as important as the consumer affairs. Our aim is a fair and equitable marketplace.

Mr VALENTINE - Not necessarily promotion.

Mr WEBSTER - Not necessarily promotion of business or promotion of consumers but creating equity between them. For instance, in our refunds and exchange program last year we went to the businesses with information so they could have it and know what their rights were before consumers came to them. Then we went to consumers to say you have rights around refunds and exchange. We have to create equity between the two.

Mr DEAN - Does false advertising come into this area, consumer affairs? Have we had many complaints in that area over the year? False advertising is occurring out there by the hundreds almost every day.

Mr BROOKS - I will let the director handle this because it is something that I receive a lot of correspondence on and a lot of it is interpretation so it might be easier to ask the director to explain some of the complications.

Mr DEAN - I have had people come to me and I have referred them on to this area but whether it has been taken on I am not sure but that is what I have done.

Mr BROOKS - I will table these documents.

Mr WEBSTER - The documents that the minister has tabled are the Australian Consumer Law guides which Tasmania took the lead in writing. It is a product that is available across Australia. It is branded with all states and territories as well as the Commonwealth so it is a guide to the Australian Consumer Law and one of the major provisions in Australian Consumer Law is false or misleading information or advertising.

I have to say that again we have a committee called the Compliance and Dispute Resolution Advisory Committee which is a national committee which meets weekly and with our compliance activities like 'false and misleading', we coordinate across the country so if it is an issue that goes across state borders then it may be that another jurisdiction takes the lead or it may be the ACCC takes the lead. The ACCC have done a number of prosecutions around 'false and misleading' over the last couple of years.

In Tasmania we have had one successful prosecution. It was of a real estate agent advertising waterfront property when it wasn't waterfront so we do get complaints under 'false or misleading', we investigate them, and we take advice about whether we can prosecute. Quite often it is not false or misleading, it is just misunderstanding but we do take it seriously and we feed into that national compliance activity and the ACCC takes the lead on major companies.

Mr DEAN - Would we have the figures for complaints in this area for the last three financial years? Is it an increasing area for complaints and issues concern or is it that education has worked?

Mr WEBSTER - It is not increasing. We get very few in relatively. In the 2 700 a month, very few are about 'false or misleading'. The issue seems to be when they get out of control with it rather than the day-to-day complaints and you see that with, for instance, there has been a prosecution of a petrol company with their petrol boards and it was shown to be false or misleading. There has been a prosecution of a major retailer and advertising products

as on sale when they were not on sale. 'Save this amount' when really they had put up the price before they advertised it, and things like that, so the provisions tend to be major prosecutions. Locally we have prosecuted one real estate agent under those provisions

Mr DEAN - The complaint we had and read a lot about was Coles, 'baked today, sold today' or whatever it is. Did that come through as a national thing?

Mr WEBSTER - That is right, yes. The ACCC took the lead on that one. We had input and collected information locally to feed into that. The other one is egg labelling - there have been three or four prosecutions which led to the change we have made to the egg labelling laws. It is an area of activity in Australian consumer law but it is not increasing and if anything it is diminishing as people realise the laws are in place.

Mrs ARMITAGE - Minister, as a result of the new building bill, are you expecting that the Building Occupational Licensing Services will need a boost in coming years to help support the implementation role of the changes? I notice at the moment the Budget is fairly static over the forward Estimates so are you thinking that will need to increase? It goes down very slightly, 2017-18, I think.

Mr BROOKS - I will go through a fair bit of detail if that is all right and then if there are further questions we can go from there. You will see building and occupational licensing services jumps by \$5 million from the previous year to this year.

Mrs ARMITAGE - Not on the page I am looking at. I am looking on page 125. It stays at \$931 000 for this year and the next budget and then \$928 000.

Mr BROOKS - I am looking at table 5.2 on page 103. Under output group 3, \$3.5 million occupation services goes from \$4.5 million to \$9.1 million.

Mrs ARMITAGE - That is an expense summary, isn't it?

Mr BROOKS - That is gas and electrical coming across. There is a whole series of changes within the budgetary requirements of that department. I will go through some specific details of where some of that comes from and where some of that goes from. The short answer to your question -

Mrs ARMITAGE - It is just a realignment of service responsibilities, isn't it?

Mr BROOKS - It is adequate funding for the functions, not only what we are doing now but where we are going to see the reform take place. When building standards and occupational licensing was established in 2013 it was largely funded from retained earnings. In 2013-14 a series of efficiency measures were put in place to ensure sustainability of the business model. From 2014 a pick up in the building construction sector has seen a large increase in revenue in the division. Recruitment of temporary staff has occurred and further recruitment is underway to match the increasing workload. However, significant reserves have now accumulated.

As this funding is a direct charge on industry and therefore consumers, we have commenced a series of projects and funding options that will improve our ongoing efficiency and develop industry capacity, skills and sustainability.

The industry development projects proposals include: \$1 million over two years to fund the audit of major electrical installations in high-risk public building complexes, \$250 000 to support the implementation of the building regulatory framework review, specifically for training and support to industry. That is rolling out our training package once the bills are passed, subject to upper House support, which we hope for.

Mrs ARMITAGE - And support of any amendments in the lower House.

Mr BROOKS - Of course, we will work through those as we get to them. A further \$100 000 for training for council permit authorities, which we know is something we have identified previously, \$250 000 to support the introduction of continuing professional development for the plumbing and gas fitters industries and you may have a subsequent question about that later on.

Mrs ARMITAGE - I might not.

Mr BROOKS - I think we are working through that.

Mrs ARMITAGE - I think you have dealt with that privately.

Mr BROOKS - That is no problem at all. Members may have a question. \$250 000 to support the introduction of CPD for the electricity industry, \$150 000 for CPD for council EHOs, designers and plumbers in relation to wastewater treatment system servicing, maintenance and accreditation, \$80 000 to support the commencement of the cert 3 in waterproofing course in Tasmanian waterproofing CPD sessions for builders. This is a flow-on from the identification of failures within building projects. This is the important part of CPD where if we see a risk or a failure, the director has the ability to introduce training to remove these issues which has been extremely successful so we will continue with the work on that.

There is \$100 000 for further work at the University of Tasmania on condensation in buildings, which is one of my pet topics so it is important; \$50 000 for CPD targeted to solar system installers, given the previous failures around that; \$35 000 for improving the skills base of type B gas fitting; funding for development of the iPlan system of \$1.375 million over two years; and funding for a new licensing and risk management system for occupational licensing.

From 1 January 2016 to 30 June 2019 a total of \$4.24 million will be returned to industry via these proposals. It is a complete change in model whilst we reform it but as I have said previously, the imperative part of this is educating, training and supporting the industry to implement these changes. We have seen, time after time, governments implement change and then not tell the people that have to implement those changes what they are.

Mrs ARMITAGE - So you will be having ongoing training and notification to the people in the trades?

Mr BROOKS - Absolutely, and that is what CPD is about. It is about providing the support and training where it is needed but also making it as easy and as relevant as we can to achieve the end result. That is ultimately what it is about.

Mrs ARMITAGE - And that's where the suggestions have come from, from some of my constituents, and I think you are going to meet with them. Perhaps some of the CPD could be at trade shows and other areas where it is not terribly costly for them and their staff to do the CPD whilst still gaining the information and the knowledge.

Mr BROOKS - There is certain flexibility around the CPD program. I think the director has met with some that probably needed clarification on the program and what the intention is. I met with an industry representative last week who said, 'What about trade shows and stuff like that, isn't that completely unrelated?' I said, 'Not at all'. I am a sparkie by trade so -

Mrs ARMITAGE - At specific trade shows, as was suggested by the plumbing contractor we spoke to. You have to have things directly for those people in that trade so that they could spend a day there with their staff. It is quite knowledgeable and they pick up their points.

Mr BROOKS - That is the intention of it. It is not about sending everyone to a city or a capital city for a two-day training course on something that is irrelevant. It is not the intention.

Mrs ARMITAGE - And some people don't listen, as some of the things we pointed out that some people may attend but they may gain nothing from it if they are not paying any attention and don't want to be there.

Mr BROOKS - I think that is recognised well across the board and is certainly the intention of the Government and the director, who will be implementing this, is making available sensible, cost-effective, appropriate and relevant training which includes product updates, which includes the licensing magazine that is sent out - those sorts of things. If tradesmen and licensees are looking at these sorts of things then all they have to do is make sure that they record it, simply, and there is nothing to worry about. That is our intention around it.

I understand there have been some concerns and they are relevant concerns. We are very focused on explaining it and making sure that it achieves the intended outcome. The intended outcome is to make sure that our high-risk tradespeople - and they are high-risk because they are licensed electricians, gas fitters, plumbers and builders including service providers, about to be - is ensuring that as technologies change and as the needs of products and service delivery changes, they have to be kept up to date. It is just trying to find the balance between having that requirement without saying that we don't trust them or that they are wrong - it is not that.

Mrs ARMITAGE - I have to say, minister, that your officer, department and Dale have been great in getting back to and addressing the concerns we have had. It is appreciated that you have made the effort to help in those areas.

Mr BROOKS - It is important reform but we understand the concerns that some have who have taken an affront that we are questioning their abilities - it is not that at all. I have outlined clearly why we are doing it but also the importance of it.

Mrs ARMITAGE - Thank you. What difference do you believe the system improvements will make in terms of increasing building work in Tasmania? Do you believe that it will make changes?

Mr BROOKS - The system of building reform?

Mrs ARMITAGE - Yes, the changes that we have had.

[11.45 a.m.]

Mr BROOKS - We have seen some examples where it has cost more to get approval and a permit in place than what the actual project costs. People either give up and cannot be bothered and do not do it or they do it on their own, or they do it outside of the standard and so it themselves. A registered builder cannot and would not, certainly the ones I know, work outside the parameters of the permit system. This will remove a significant barrier to the smaller decks or sheds or the very low risk work that really you should just get on with and do. It still has to be done under the National Construction Code. It still requires a notification or notice put in but it either does not happen or it is done under the radar. There are no checks or balances and there is not a qualified person doing it. We remove that but we also make it so much easier for these projects to get on with. There are checks in place. Even in building a home, at the moment there are some significant steps where it takes a fair while and people say 'it is just easier to go and buy one that is already built'.

CHAIR - I thought about that about 25 times in the last 12 months.

Mr BROOKS - Whereas, I would say, 90 per cent of residential projects will now be covered under low-risk work or notifiable work not requiring a building permit. We have erased a significant amount of obstruction - not deliberate obstruction, it is just a process. We have removed the process and made it simpler, taking into account the risk. I think it will only lead to more projects being done, more work for builders and ultimately the consumer getting what they want earlier but also done in a much safer way than getting their mate who might have gone to TAFE for two days once to build it. It is a great outcome.

Mrs ARMITAGE - My final question. Minister, a press release from the Master Plumbers' Association of Tasmania on 27 May this year praised many initiatives in this year's Budget in terms of what was delivered to the sector. However, I note the association expressed disappointment that the Government has not reinstated payroll tax relief for apprentices. Will the Government look at this for the next budget?

Mr BROOKS - It is ultimately a question for the Treasurer, however, I do take on board industry concerns around payroll tax as one that is paid -

Mrs ARMITAGE - Will you lobby the Treasurer on behalf of your area?

Mr BROOKS - We are the party of lower taxes. We would love to reform many things but we have to balance the budget. All the things that we want are not affordable so we will continue to strive for initiatives that do reduce the tax impost to businesses but it has to be affordable and sustainable. We need to fund vital services and rebuild vital services.

Mrs ARMITAGE - I appreciate that and many of us have undertaken the -

Mr BROOKS - It is a balancing act but I will not be going into that debate. We will continue to focus on that. The more manageable the budget is, the more we can look at those sorts of initiatives. However, it has to be affordable.

Mrs ARMITAGE - So you will consider it?

Mr BROOKS - We are always considering suggestions from industry and we will work with you. The MBA raised it as well and we take on board their comments.

Mrs ARMITAGE - We know that apprentices are on a low wage. Another thing you will get is an advanced age apprentice. It is very hard for people with a family who decide to go back to an apprenticeship. Every bit of relief helps.

Mr BROOKS - We do need to realise as well though that there are many mum and dad builders out there that are not paying payroll tax anyway. Even the changes in things like the first home builders grant and the things such as the schools program, where we have seen a massive investment in schools, have given these businesses - and I have spoken to some of them - the confidence to employ apprentices anyway where they did not have the confidence a couple of years ago. I take on board that some employers payroll tax in the building sector but there are many that do not.

Mr DEAN - I have a couple of questions on the building industry in relation to the new process we are going through. The new dispute resolution process as introduced by the building legislation will allow owners to use an adjudication process that is only suitable for small and simple disputes. This process is an alternative to court proceedings and is meant to lead to low cost and quick dispute resolutions. It is not clear what rights owners and builders have to seek review by courts if they are not satisfied with the adjudication process outcome. It would be useful for that to be answered for the benefit of the building industry.

Mr BROOKS - We will go into that a lot more when the dispute resolution legislation is debated and we provide a briefing to the upper House of course. None of this legislation, none of the reform package, removes the right of anyone to seek a court adjudication on these matters. It does not remove or change any of those rights at all. If you look at the dispute resolution mechanisms, if there is a dispute they can go to voluntary mediation. Again, it is not required to go if either parties do not want to. They can say, 'No, I don't want anything to do with it' and that ends it. If they both voluntarily attend and there will be an appropriate mediator managing that, there could be an outcome, which is great. If either party disagrees or is unhappy they can either elevate it further or take it to court.

Mr DEAN - That is what happened with simple disputes. They were elevated to quite a serious dispute at the end and that is why we need to ensure that is the case.

Mr BROOKS - What we have found though is, we have provided this as probably a test case over the last year or so to see if it could lead to an outcome. Between 1 July 2015 and 30 April 2016 the unit has been involved in providing guidance for over 200 building disputes. The intention of this is to keep it out of the courts. It does not remove anyone's right to take it to court if they want but I think it is in no-one's interest for this to go to court because it costs everyone money. We will provide more information as we go through the clauses of the bill but there is no mechanism in any of the legislation that removes anyone's option to take it to court.

Mr DEAN - I have a second question, Chair, but I will put that on notice in the Chamber the week after next because it is a fairly long lead into it so I will do that to save the time.

This may be a question I should have gone to TasTAFE with but I will put it to you, minister. There are some concerns in the building area in relation to a premises and the honourable member for Launceston raised one issue. In a case that has been brought to my attention, a young apprentice in the building industry has taken an inordinate period of time in which to get his apprenticeship through, to get his ticket at the end, because the small builder he is with often does not have the work to continue on and has to put the apprentice off for a period of time until he gets further contracts. It has gone on for a long time. I was wondering if there has been any discussion in this area with TasTAFE and some of the other providers in this area to try to give those people some support in concluding their apprenticeships. In fact in the one family, I am told, there were three boys who went through a very long process to get their apprenticeships.

Mr BROOKS - It is directly related to the minister responsible for skills, Mr Groom, so I will not go into any detail on it other than to say that we as a government continue to work with industry and looking at where we can, not only address the needs of industry for future work but also of apprentices. I know Mrs Armitage asked me a question about apprentices and payroll tax. I did not mention we have one of the lowest taxing states in the country when it comes to business costs.

CHAIR - You have now.

Mr BROOKS - That is right. It is best left with the minister for skills but we all work with industry to address the needs of not only the businesses but also the employees.

Mr VALENTINE - On of the concerns that I raised when we were dealing with the bill is for what you might consider low risk, small value building works, which occur from time to time within a person's own home. I think I made mention of load-bearing walls being taken out - not necessarily collapsing at the time. What is there in place that actually captures that sort of a problem? Do you require councils to make sure that whoever is doing the building work is certified? How do we overcome that problem? Three owners down the track, something might happen and it could kill somebody. How do you handle that, and how is the consumer protected?

Mr BROOKS - I might refer that on to the director because it comes under licensing, and qualifications and requirements.

Mr VALENTINE - I know its be explained before, but I think for the record it would be good.

Mr WEBSTER - So for the lower risk work that involves issues like removing walls in homes, etc., there is the director's determination, which accompanies the bill. We have been working with industry on that. It requires work such as removing structural walls to be done by a licensed builder. It isn't work the owner can do themselves.

Mr VALENTINE - or shouldn't do themselves.

Mr WEBSTER - Shouldn't do themselves - so if the licensed builder is doing it, the licensed builder actually does provide a certificate and a copy to council to show that they have done that work.

Mr VALENTINE - So a person could trace that back if necessary.

Mr WEBSTER - That's right, so there is a trace back through that. It is called the 'certificate of compliance' that the builder gives to the owner and gives a copy to council under the bill. So that's how it's traced back.

There are two things that go with this. The first is that getting a building inspection done prior to buying any property is critical, and the second is ensuring that you get a certificate 337 from council to say what has actually been approved and not approved.

Mr VALENTINE - So really it is 'buyer beware', but that is a safeguard in getting that ticked off. People know that, and they will today.

Mrs ARMITAGE - If I can go back to something you mentioned in the last answer regarding the first home owner grant and the building work that is coming from it. Would you be able to advise, of the last 12 months, how many first home owner grants by percentage have been awarded in the north, the north-west and the south? It is just so we can actually see where the work is actually coming from.

Mr BROOKS - That is a question for Treasury.

Mrs ARMITAGE - I appreciate it is, but it is relating obviously to building work. I am happy for you to take it on notice and maybe liaise with the Treasurer.

Mr BROOKS - I will just seek some advice. I am happy to take it on notice. I will seek some information from Treasury and the Treasurer.

Output Group 4 Regulatory and Other Services

4.1 WorkSafe Tasmania

Mrs ARMITAGE - Minister, what are the main workplace injuries we are seeing in Tasmania in 2015-16? Can you show us figures for the rates of serious injury?

[12.00 p.m.]

Mr BROOKS - The main ones are slips, trips and falls. Safe lifting or back injuries are a contributor as well. A lot of companies spend a lot of time working on processes and giving information to their employees on lifting techniques. The majority of injuries come from the four targeted industries: manufacturing, retail trade, construction, and health care and social assistance. The most common types of injuries for the four targeted industries in 2015 were body stressing, being hit by moving objects and falls, trips and slips. The most common occupations injured for the four targeted industries in 2015 were carers and aides, factory process workers and labourers.

Mrs ARMITAGE - 'Hit by a moving object', would that be overhead cranes?

Mr SHIRLEY - It is usually simpler than that. Slips, trips and falls, and then we have the mechanism of injury and we break it down into hit by moving object, where somebody is hit by something that is moving towards them or a person moving into an object and hitting that. I am unaware of any circumstances where it is overhead travelling cranes or anything of that seriousness. It is much more people bumping into things or being hit with things, but relatively low impact. They are the highest frequency, which was your question.

Mrs ARMITAGE - They are not as serious but there are more of them.

Mr SHIRLEY - In terms of the most frequent we are talking about slips, trips and falls, being hit by moving objects. As to cost, we are talking about mental injury, the cost of getting people back to work. As to the industries affected, in manufacturing during 2015 there were 936 injuries, which is a decrease of 3 per cent. That is pleasing to see in one of the targeted industries. For retail trade, which was the second of the targeted industries, it is 637 injuries in 2015, a decrease of 9 per cent. In construction, it was 572, which is a decrease of 3 per cent. For the fourth, health care and social assistance, there were 1 310 injuries, which is an increase of 1 per cent. In that area, WorkCover has funded a particular project for over \$100 000, so we will be doing further work in that area for health care and social assistance.

Mrs ARMITAGE - Do you think you are likely to meet the target of 12.6 for the 2015-16 target for serious injury among workers?

Mr SHIRLEY - Yes. Our current performance for that is 12.5 and the target is 12.6. The reason the target is higher is because the targets are based on the national strategic plan. Am I confident? I am hopeful we would and I do not see any evidence that we wouldn't, but I am not sure I can predict what the result will be.

Mrs ARMITAGE - Can you give a couple of examples of the most serious workplace injuries that would come up?

Mr SHIRLEY - There are fatalities, and members would be aware of those. The most costly is a high-profile quad-bike accident. For recurrent most serious ones, it is mental injury in the workplace. It would appear the assistance we are providing to workplaces positions them much better to deal with physical injury in the workplace and prevention of that. The psychological injury in the workplace is a much more difficult thing and that is what is showing in the costs.

Mrs ARMITAGE - Are you meaning stress?

Mr SHIRLEY - Yes.

Mrs ARMITAGE - Has stress increased?

Mr SHIRLEY - I don't have the information about the breakdown of the psychological injury but it is something we collect and can report on.

Mrs ARMITAGE - I thought with the way that society is going that stress might be greater?

Mr SHIRLEY - Anecdotally, I would have no problem with that but in being able to give you a breakdown of the psychological injury, I don't have it with me today.

Mrs ARMITAGE - An article in the *Mercury* on 21 May said that Worksafe Tasmania was assisting in the investigation of an incident where a TasTAFE student received a foot injury during firearms safety training course. What can you tell us about the incident and where the investigation is up to?

Mr BROOKS - I might refer that to either the secretary or Mr Shirley. I will leave them to give an update of that investigation.

Mr SHIRLEY - That investigation is continuing. The firearm that was there at the time of the incident was taken by police for testing. I haven't seen the results of that testing yet. The person delivering the course has delivered training to thousands of recipients of that course and this the first incident.

Mrs ARMITAGE - Accidents happen.

Mr SHIRLEY - That is not something I would ever say. We will have a look at this but all the previous evidence available to us indicated there was no reason to foresee this one and we will try to gather the learnings we can from this event to make sure it doesn't happen again.

Mrs ARMITAGE - My final question is on fireworks. An article in *The Examiner* on 6 June said the Justice Department had recommended a ban on two types of fireworks. What can you tell us about this, minister, bearing in mind that with fundraising and well organised community groups they are something that has become a part of Tasmania? Community groups like to have fireworks nights where they can invite the community along. I know you haven't had a report out but I thought you might be able to give us an update.

Mr BROOKS - Thanks for the question. Following concerns that arose in the lead up to cracker night last year, the Government announced there would be a review of Tasmania's fireworks laws. The review is now concluded and we are currently reviewing the options. That review and the recommendations are still being considered with a determination that will be made very soon. A bit more information, if you would like, some general interest.

Mrs ARMITAGE - General interest and how many injuries have been recorded to go along with the recommendation by the department.

Mr BROOKS - This year's cracker night was held on the evening of 28 May 2016. As with previous years, Worksafe Tasmania has received three complaints so far regarding serious community safety concerns.

Mrs ARMITAGE - Three complaints, but do we have any record of injuries that occurred?

Mr BROOKS - I haven't heard of any from this year's event.

Mrs ARMITAGE - Because the injuries are quite relevant for the people who were hurt by fireworks.

Mr BROOKS - There will be an announcement soon on the outcome.

Mr DEAN - A couple of questions on the Launceston office in relation to workplace safety. Over a period of time there was a downgrading of the numbers of personnel working within that office. I am wondering how they are coping with the workload? All I ever see those people doing is running from one job to another. Are they keeping up with the work? Is there a backload they are not able to keep up with? I believe they are flat out.

Mrs ARMITAGE - Perhaps we could have the staffing numbers.

Mr DEAN - Yes, the staffing numbers now and what they were 12 months and two years ago and whether they are keeping up with the workload that is now required of them?

Mr BROOKS - Worksafe Tasmania is part of the Department of Justice and consists of four business units: industry safety, mine safety, compensation, communication and policy. It is responsible for enforcing and improving Tasmania's workplace safety performance including mine safety and Tasmania's workers compensation performance.

We are focused on improving Tasmania's safety, injury management, compensation areas and that is by focusing on targeted industries to reduce the number of workplace deaths, injuries and diseases and, as we have already highlighted, focused on activities with high consequence incidences, developing and strengthening capability and performance.

WorkSafe Tasmania has 92.15 FTEs, of which 52.22 are employed in the industry, safety and mine safety divisions. In 2014, a number of staff took up redundancy offers or workplace renewal incentives. This required a restructure of the organisation to be implemented in 2015-16 to enable them to continue delivery of required services.

In May 2016, the responsibility for regulation of the poppy industry was transferred from WorkSafe Tasmania to the Department of Primary Industries, Water and the Environment. WorkSafe participated in rationalisation of office accommodation at its Rosny, Launceston and Burnie offices by sharing accommodation with other Justice outputs, resulting in budget savings for the department. The government fleet vehicles, leased by WorkSafe, were also made available to other Justice outputs, residing in the same tenancies, resulting in budget savings.

That is the FTEs. I do not have a comparison from the last three years or however much you wanted. I will ask the secretary. There may be more to add around resourcing. Our position is that it is resourced adequately.

Mr DEAN - Are they able to keep up with the workload? I understood a big part of their responsibility is education within the workplace. I would be interested to know how much time the officers at Launceston are able to devote to the educational side of things. You can see them running from job to job. I am concerned for them.

Mr SHIRLEY - I would support your comments about how productive the staff are in Launceston. That is also the case in Burnie and Launceston. The minister has undertaken to

get you the figures but there are some things that need to be factored in. One of them is that WorkSafe underwent some structural change with gas safety and electrical safety moving out of WorkSafe and into another area. Talking about the Launceston office, there was a function there of providing prosecution support. That has moved out of the Launceston office and we now fund that work directly out of the DPP. There would be an absence of a person there that has been replaced in a different part of the state.

Your point about the strong emphasis on education should not be lost and over time there has been a change in mix between inspectors and advisers. The further back we look, the more we will see inspectors and absence of advisers. Currently, there are six advisers funded in the area and we find, under the current regime, a lot of businesses are moving better to compliance through education rather than enforcement. Accommodation of educational information guides to the legislation and the direct provision of a telephone advisory service, one of the staff of which operates out of the Launceston office, and the group of advisers all help in the mix.

Whilst the inspectorate would not want to claim performance is an indicator of their influence, because a lot of the improvement comes from businesses themselves, the all-claims frequency rate, which is a reasonable measure of performance, has dropped from 18.7 claims per million hours worked to 18.2. That has improved by 3 per cent and the serious claims over the period have improved by 8 per cent, dropping from 13.6 per cent to 12.5 per cent. In terms of being a measure of whether we are keeping up, those macro indicators would indicate we are. There is a mix in delivery from purely inspectorate, to inspectorate and adviser, and other educational facilities.

Mr DEAN - The all-claims frequency rate, what does that mean?

Mr SHIRLEY - It is the number of workers compensation claims per million hours work. It is a good measure because it picks up movements in the work force, in the amount of time. It takes out that question about are there more claims because there are more people working, or are there fewer claims because there are fewer people working. Our actuary indicates that this million hours claims is a better mix than the one that goes per workers, because we tend to get a better handle on the movement of people working less hours.

Mr DEAN - What is the requirement of industry or business to report injuries in workplaces? What is the extent of the injury that requires reporting, minister?

Mr SHIRLEY - There is guidance on the website, which I do not have committed to memory, which is about notifiable injuries. It includes hospitalisation and serious accidents, but that guidance there is available. Essentially if you have a situation that requires someone to receive first aid treatment or hospitalisation or significant absence from work, they are notifiable. Below that would not be required.

Mr DEAN - Is that applied to emergency services as well?

Mr SHIRLEY - That requirement applies to anybody who is covered by our legislation.

CHAIR - Any other questions in relation to 4.1? If not, we will move on to grants and subsidies relating to the aspects of compensation.

Mrs ARMITAGE - Minister, I wondered if you would be able to provide us with an update on how many applications have been received since June 2015? How many of those have been successful, as well as the amounts overall dispensed from the fund?

Mr BROOKS - The Asbestos Compensation Tribunal utilised the resources of the Workers Rehabilitation and Compensation Tribunal, including the hearing facilities at Launceston and Hobart. The tribunal does not have a specific budget. All work and expenses are accounted for in the Workers Rehabilitation and Compensation Tribunal.

Mrs ARMITAGE - How many applications have been received since June 2015?

Mr BROOKS - From 1 July 2015 to 10 May 2016, 14 applications for compensation have been received. From these 14 applications, seven have been accepted. Of those cases, five were for an imminently fatal asbestos-related disease, and two related to non-imminently fatal asbestos-related disease. One applicant was assessed as having a whole person impairment below the 10 per cent threshold and will be reassessed annually. Two applications are pending. Two applications were rejected. One applicant did not have an asbestos-related disease and one determination could not be made as a result of the applicant passing away.

Mrs ARMITAGE - And the amounts dispersed since 1 July?

Mr BROOKS - As of May 2016, a total amount of \$2 402 817.65 was paid in compensation to workers; \$103 288.63 has been paid for medical treatment; \$154 230.50 has been expended in administration costs and \$68 225.23 was expended for medical panel determinations and impairment assessments. As at 10 May 2016, the balance of the fund was \$11 772 956.67. The asbestos scheme levy, which is paid by employers, was reduced from 4 per cent to 3.5 per cent in the 2015 financial year.

The levy is set by me, following careful consideration of the actuarial advice. In October 2016 the asbestos scheme will have been in operation for five years. A review of the scheme will be undertaken later this year to ensure the objectives of the scheme continue to be met.

Mr VALENTINE - With those cases that have been handled, do we know what the source of the asbestos was? Is that known?

Mr BROOKS - I am wary about individual circumstances and the privacy -

Mr VALENTINE - No, I do not expect you to reveal individual circumstances.

Mr BROOKS - Yes. I might refer it to Mr Shirley.

Mr SHIRLEY - Part of the application process requires the documentation of the work history. We then are usually able to find out from the claimant where they believe they were exposed to asbestos. If we already know that asbestos was in the place that they worked, or the processes that they worked in, there is a very low threshold for evidentiary requirement. On that basis we have an understanding case-by-case of where there was asbestos in the area the person worked. In terms of being able to make any linkage between any particular sources of asbestos and this particular disease is difficult.

In terms of the question that members asked last year during Estimates about whether the spouse of a worker who cleaned the overalls, for instance, whether coverage for that should be picked up then my understanding is that the October 2016 review will go to look at coverage and an examination of that issue.

Mr VALENTINE - My concern at the moment are those products, I suppose, and articles that are out there in the community that contain asbestos and people may not be aware. I am thinking of things like what looked like ceramic pot plant holders. They are square, they are obviously made of a lightweight cement/asbestos mix, quite old, very much degrading. Asbestos water pipes which are for stormwater, not for an actual drinkable supply. These things come up in the environment from time to time.

I am just wondering how we are handling that. There are a lot of these in the environment, either in backyards or underground and being exposed from time to time by tractors or excavations. How is the education process going in terms of revealing those sorts of things? I came across one myself. I was doing a bit of bush care work and I think - I have no positive proof - it was an asbestos stormwater pipe. It is possible that it could be degraded over time. I am just wondering what is being done to bring that awareness to the community without causing huge alarm?

Mr BROOKS - I might just outline the terms of reference for the review because it was inserted into the bill, when it went through, that there would be a review after five years. The review will test the scheme ensures the provision of fair and appropriate compensation payments and certain expenses in relation to the contraction by a person of asbestos-related diseases in the course of employment as workers in connection with the state. It provides for the prompt and effective resolution of applications under the act for compensation or for the payment; provides an effective and economical mechanism for resolving disputes relating to applications under the act for compensation or for the payment of certain expenses; and makes provision in relation to certain judgments and agreements relating to the contraction by a person of asbestos-related disease in the course of employment as workers.

There is potentially scope there to look at the circumstances, but I might let Mr Shirley add to that.

Mr SHIRLEY - In terms of this Tasmania signed up to the National Asbestos Removal Strategy. The first goal in that is focused on awareness. The others are best practice, identification, removal, research and international leadership. Tasmania is actively working on raising awareness. Within this area of the minister's responsibility is the Workcover Tasmania Board. It currently funds Asbestos Free Tasmania, which does a lot of work in terms of providing information about asbestos. They turn up at Bunning's to capture people. They provide a booklet and so on.

The board is currently considering an approach from Asbestos Free Tasmania to continue the awareness raising aspect of their work and that the board needs to satisfy itself about how well that links to the national strategy in terms of awareness. All of those things, plus information that Worksafe Tasmania provides, goes to letting people know where asbestos might be located in their immediate environment.

Mr VALENTINE - So if we find it, where do we go?

Mr SHIRLEY - We also have licensed asbestos removalists.

Mr VALENTINE - A person in the street.

Mr SHIRLEY - We often receive complaints that come through our help line. So, people can just pick up the phone to our help line. One of the more common ones is for what people recognise as being a Telstra pit that may have asbestos lagging inside it. Even though that is a CommCare issue we are happy to field that and deal with those issues. If people contact our help line on 1300 366 322 they will have the problem addressed.

CHAIR - Moving to the WorkCover Tasmania that we have just heard about. The number of applications to the Rehabilitation Compensation Fund and the number of successful claims, please? That is all I need and I do not mind if you take them on notice.

Mr SHIRLEY - The board licences self insurers. Licensed and self insurers would be the groups handling the claim. The board does not receive or make payments.

CHAIR - It manages the fund, it says in my notes. It says it manages the fund and managing the Workers Rehabilitation and Compensation Fund.

Mr SHIRLEY - Yes, that is correct. That Workers Rehabilitation Compensation Fund funds things like Asbestos Free Tasmania, funding advisors and so on. It does not make payments for claims.

DIVISION 8

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

Minister for Racing

Output Group 5

Racing Regulation and Policy

5.1 Racing Regulation and Policy -

CHAIR - Thank you, Minister.

Mr BROOKS - The Government is a strong supporter of the sustainable racing industry in Tasmania. The industry creates employment across a vast diverse economy and it is also an economic contributor, especially for the regional areas of our state.

It is therefore important for both the racing industry participants and the broader community to have confidence that Tasmania has a robust and contemporary integrity framework and the Office of Racing Integrity has continued to carry on its core functions in a range of areas including a swabbing regime that promotes drug-free racing, a high emphasis on animal welfare across all codes of racing, high level regulatory controls to ensure those participating in the industry are fit and proper and appropriately skilled, enhanced non- race day strategies including increased out of competition testing using modern integrity practices that include human resources and technology, the benchmarking of integrity practices and procedures consistent with national and international racing and sports integrity jurisdictions.

The Government has also introduced a number of new measures to further enhance the integrity of the Tasmanian racing industry. We have successfully rebranded the former Racing Services Tasmania to the Office of Racing Integrity to better identify the role in the organisation and provide a clear differentiation from the commercial body. We transferred the responsibility for the divisions of the Department of Primary Industry, Parks, Water and Environment to leverage existing biosecurity and animal welfare capabilities. Funding was also provided in the 2015-16 Budget for two new integrity positions, the Racing Integrity Manager and an additional steward investigator.

Finally, as the minister, I wait on the report of the current Parliamentary Inquiry into the Tasmanian Greyhound Industry. The report is due in September and I welcome the opportunity to consider its recommendations in due course.

Mr DEAN - My first question relates to the significant increase because of the revised budget based on previous year's actual expenditure. I think it is a \$1.3 million or thereabouts increase this year. Where did the expenditure occur in the previous budget that has brought this on, because they are now a continuing increase as well. Obviously not covering off a one-off increase here, so what is the position there, minister?

Mr BROOKS - Thanks for the question, Mr Dean. When it was transferred over to DPIPW there was no real identification of the actual costs within the Office of Racing Integrity, as it is now called. It was effectively a zero-based budgeting approach last year. Now that we know what that cost is, and it was met within the existing framework but not a specific line item, we were able to identify the specific targeted cost within ORI and that is now identified in the Budget.

Mr DEAN - Right. The payments made to Tasracing, the \$30 million or thereabouts? That is the ongoing money paid from the giveaway of TOTE. I wouldn't say it was ever sold, it was given away. The moneys provided from that -

CHAIR - Can we go back to 5.1 and do that one first and then we will move into grants and subsidies.

Mr BROOKS - That is under the funding deed that is directed to Tasracing. This is about the funding of ORI, which is specifically about integrity and the requirements within the integrity separation.

Mr DEAN - Is there an increase in the industry participations here at all? Is there racing clubs and so on, is that increasing or is it in decline? I am led to believe it might have been in decline? Therefore the amount of work within the Racing Integrity side of things, I am just wondering whether the workload has increased?

Mr BROOKS - I might throw that to Mr Murray. We see an industry that has had challenges. There are pockets or aspects of some decrease in participation, but there are some increases in other sectors. I will let Mr Murray go through the more specific factors within that.

Mr MURRAY - The number of licensed persons in the industry has stayed fairly static over the last three or four years. It has hovered around the 1700 across the three codes. The target for this year is down marginally from the previous year, but of no real significant

decrease. The actual participation within the industry has remained constant. There certainly has been a downturn in the number of animals being bred to race and that is for a variety of reasons.

CHAIR - Is that across both codes?

Mr MURRAY - It is across the three codes. Across the thoroughbred, harness and greyhound codes there is a general downward trend for a variety of factors. It could be environmental through the harsh conditions out on properties. Greyhounds is because of changes to breeding rules, which has certainly decreased the numbers there. The number of people participating is pretty constant. The number of animals being bred across the three codes is down.

Mr DEAN - What is that to mean for racing, for thoroughbreds and harness racing.

Mr BROOKS - There are some mixed feeling within even specific clubs. As I consult with industry experts and within the bodies today some are telling me that there are some great opportunities and they think it will increase again. Others think that it probably is an adjustment within the market that may be about right. Others think it is in a detrimental decline and one of the challenges with the racing industry as a whole is trying to get agreement across that. My inclination is that it is a strong industry, it is certainly being support very well by Government but more importantly the Office of Racing Integrity is playing a key role in interacting with the industry but also in ensuring that the highest possible standards and integrity are maintained. I am not sure if Mr Murray has anything further to add on that.

Mr MURRAY - Obviously breeding numbers in one season will extrapolate to racing numbers in subsequent seasons. As the minister said there is probably a bit of an adjustment going on at the moment. Time will tell but the industry is going well. The fields are being well populated with numbers and generally there is a reasonably good feeling out there in the industry.

Mr DEAN - My next question relates specifically to the integrity side of things. I noticed in Table 9.7 that if you look there at the suspension and disqualifications and other issues coming up there that in the year actual 2014-15 there is 459 offenders, recalcitrants, whatever you like to refer them as. The 2015-16 budget the target is 450 so how are we going in relation to that? I would have thought that the target should be set very low. We should be trying to get the target down and it is identified there as a 9 drop. How are we proceeding with that target that was set for this year? I am interested also as to why would we retain the target of 450. I would have thought we would have been looking at decreasing that target as we move forward in this area. It is a lot of recalcitrants for the number of people involved in this industry. I think it works out to one in four that is offending, it would seem.

Mr BROOKS - I might ask Mr Murray to cover off on that. It includes minor infractions that may not be specifically at the worse end of the range. There is a varied degree of offences as you would expect Mr Dean, as you would understand no doubt, but I will let Mr Murray go through the specifics around the target and also where he says is an issue.

CHAIR - We need as short and as sharp response and questions.

Mr STEWART - In an ideal world the target would be decreased and eventually get to zero but the target is always based on historical factors on trends. We cannot forecast what is going to happen in a particular year. We certainly do not have any quotas in terms of the offences that we want prosecute. In answer to your question about this year, we are trending towards around the 450 again. A lot of it is brought about by new whip rules. In both harness and thoroughbred codes there has been new whip rules with a strong and proper focus on animal welfare and so both of those codes have tightened their whip rules and the industry takes a while to adjust to it. We undertake a lot of education with the industry but a lot of the minor offences if you like are to do with incorrect uses of the whip. Suspensions will generally be interference in races. Participants, drivers and jockeys causing interference to other horses and clearly disqualifications are generally from prohibited substances.

Mr DEAN - Does that mean, minister, really when you look at this that the educational side of it is left wanting? If we have these infringements happening and the whip, I would have thought jockeys and the owners would know very well what is required of them in these areas now. To get these continued infringements, does it mean that the educational side is wanting?

Mr BROOKS - I will refer to Mr Murray very shortly, but it is like infringement notices. People may know the law but they may accidentally breach it or they may infringe unintentionally on occasions. I do not think it is a matter of them deliberately ignoring it. However, there needs to be a focus on education and training and there need to be consequences for actions. It needs to be an ongoing process, like any trade or profession. There are always going to be some serious breaches and some minor ones and it is up to the director to work through that, as appropriate.

Mr MURRAY - With the new whip rule, there was a couple of months lead-in, and we showed videos at the tracks of the new rule. It was compiled by Harness Racing Australia so it has been shown through the states.

There is a long lead-in period to show people how it is going to change. To give you an example, in the first race under the new rules, one of our most experienced drivers offended. When he came back, he said, 'Well, I forgot'. It is behavioural. You have somebody doing something by natural means, so to speak, all their life and then you are saying 'adjust it'. We do provide a lot of education but when you get into that moment, it is difficult for people to adjust. That is where it occurs.

Mrs ARMITAGE - Were there any suspensions or disqualifications that related to live baiting?

Mr MURRAY - No.

Mr VALENTINE - I have a question in relation to Positive swabs to swabs taken, table 9.7, page 212 - 3807 swabs were taken by stewards, with 0.32 per cent being positive. That is 12 individuals, is it not? I am interested in the split in terms of harness, gallops or greyhounds. Have we got that information?

Mr MURRAY - It does vary year by year. There were 13 last year.

Mr VALENTINE - Somewhere in that order.

Mr MURRAY - Yes.

Mr BROOKS - We can take it on notice.

Mr DEAN - What are staffing numbers in this area of racing integrity?

Mr BROOKS - Twenty-one FTEs.

Mr DEAN - Where are they domiciled?

Mr MURRAY - Twenty-one full-time staff are employed by the division. There are three domiciled in the south, and the remainder in the north of the state.

CHAIR - Are they all FTEs?

Mr MURRAY - Yes, we have 21 full-time and then we have a range of casual stewards across the state.

CHAIR - That is what I thought. We do not race every day in Tasmania. How many part-time?

Mr MURRAY - It varies. The casual call goes up and down but it is generally between 20 and 25.

Mr WILLIE - The previous minister cherry-picked the industry working group report when he announced a cut in the stakes money. Will you release that report publicly in full?

Mr BROOKS - I don't have the report.

CHAIR - Where is the report?

Mr BROOKS - I haven't seen it and I do not have a copy of it. It is also the case for the Office of Racing Integrity and Tasracing. I sent a letter dated 5 May to the committee relating to that and, not being the minister at the time, I was not privy to the discussions that took place. The former minister made the recommendations public on 22 July 2015. I also understand that the working group made it very clear to the former minister that their report and the discussions around it must remain confidential to ensure frankness and honesty. This is the only way the working group felt they would be able to securely provide information. The previous minister sought express permission to release the recommendations and that was granted. I have had recent correspondence from the chair of the committee and in a subsequent letter I am seeking further advice with a view to providing an in-camera briefing for the committee.

CHAIR - An in-camera briefing had been previously offered to the committee but, as a member of the committee at the time, I received a letter that said you were not prepared to meet with the committee. It was very disappointing and I am glad you have reassessed that.

Mr BROOKS - To clarify, it wasn't that I was refusing to meet with the committee; it was that I did not have anything to add to that report you were inquiring about. I didn't have it and I had not read it.

CHAIR - With all due respect, I was quite surprised that the previous minister had not done a handover to the new minister. I would have thought that there would have been some exchange of information as an incoming minister for this portfolio because it is so important.

Mr BROOKS - There were very clear concerns raised with the previous minister relating to the submissions and what was contained within that report. It was with the express agreement among the committee members that that not be released to anyone. However, I have had a subsequent letter from the committee and I am seeking further advice on that.

CHAIR - The new chair of the committee will be very pleased.

Mr DEAN - You said they sought permission to release the recommendations, but we were not given all the recommendations; so they weren't all released. The perception of the public is that the only recommendations released were the better recommendations and that the ones that were probably not to the liking of the government were never released. That is the concern.

Mr BROOKS - I don't know what is in it. If I have not read it and do not have a copy of it, I cannot comment on it.

CHAIR - You will obviously get an opportunity to read the report before the Legislative Council committee is briefed in the future.

Mr BROOKS - Well, no. All I have said is that I have received a letter from the chair of the committee and I am seeking further advice with a view to providing an in-camera briefing for the committee. It is not my report and I have made it very clear that there were specific agreements surrounding that report made by the stakeholders who contributed. I was not the Minister for Racing at the time; it is not my report. If I gave the impression I was unwilling to attend a committee hearing, that wasn't the intention. I did not have the information you wanted me to brief you on.

CHAIR - From my perspective, the committee was surprised that there had been no handover from one minister to the other. I can only speak from my own committee position here. I would have expected that any minister would do a handover.

Mr DEAN - There was obviously a lot of criticism in it of the industry or it would have been released - we know that as well. Having spoken to some of the people engaged in it, we know very well it is right.

Mr BROOKS - At the end of the day, Mr Dean, I will not speculate what is in it but ultimately it was done on the provision of it being private from those who are engaged in it. I think the integrity of the minister in ensuring he stuck to his word on that is a matter for him.

Mr DEAN - There was government money expended on getting it as I understand. There was a cost to it. It is our money.

Mr BROOKS - There is still an integrity issue of when a minister who gives his word to a community group or to a group of people that it would remain confidential, whether that should be done. I commend the minister for making sure what he said would happen did in fact happen. Anything that was released was conferred and agreed on by the working group, as far as I understand it. As I said, I do not have it. I have not seen it and certainly I am not unwilling to attend but, as I said in the letter to Ms Rattray, I was not in a position to provide any briefing and that is the truth.

CHAIR - Can I move to some of the recommendations that were released. Recommendation 11, 'The racing industry must be able to source additional ongoing revenue/grants to ensure its sustainability'. Obviously this is only CPI in the increase in the future. Do you have a concern, minister, that the racing industry is not going to be sustainable unless there is more money provided? It makes it very clear here and I do not think \$250 000 is going to cut the mustard.

Mr BROOKS - I have heard some concerns from the industry with their funding model. At the end of the day, this is a decision made by the previous government that effectively promised not to do something and then set about doing it. The truth of the position we find ourselves in is because of those decisions. What we are committed to is a sustainable racing industry. The funding deed we are examining at the moment is within the allocation of the Budget. I believe it is adequate and sustainable. I think \$30 million for the racing industry is enough money to manage it and run it, on top of additional revenue opportunities they have. When I met with -

CHAIR - Have you met with every code?

Mr BROOKS - Yes, I might qualify that. I may not have met with the greyhound code -

CHAIR - Get out and meet them, they are good people.

Mr BROOKS - Let me finish if you will, please. I do have several friends in the industry who quite often tell me what is going on and what the concerns are. I might not have met the greyhound body representatives but I have certainly been to the greyhounds and I have been a supporter of greyhound racing since I was probably 16 years old. I understand the concerns around the funding model but we also think that \$30 million is an adequate taxpayer expense for the racing industry.

What we are keen on though is looking at areas where it can become more self-funding. That is why we made amendments to race field fees. That is a specific example where, if we wish to grow the revenue and the income streams of the racing industry, we need to identify ways to add to participation, add to the race field fee structures and strategies, but also add to higher attendances. I commend clubs that are focusing on that. We all know cup days are wonderful. When I go to the races, whether it is at Devonport, Hobart or the greyhounds or the harness racing, there are not many people there except for specific days.

CHAIR - You have not been to St Marys yet, minister.

Mr BROOKS - No, I have not been to St Marys.

CHAIR - Can I invite you on New Year's Day?

Mr BROOKS - I would welcome the invitation.

CHAIR - You have been invited.

Mr BROOKS - Again, that is a specific event, not your weekly meeting. I was referring to the weekly meetings. One of the challenges we have is that we have limited budget restraints. We need to invest in Health and Education and essential services. The racing industry received \$30 million a year. It is adequate but if we need to generate more revenue, you are right, but it is not going to come from the government. We need to look at ways and as minister I will work with the industry to identify those opportunities. I think race field fees, enhancing the industry, looking at the Asian market for betting and gaming is a brilliant opportunity for the Tasmanian racing industry to further fund itself and to generate more finances through the system.

Mr VALENTINE - I just make the observation that every other state will be looking to do the same, wouldn't they, in their relationships with Asia. It would be a very competitive market, I presume. The important thing is, minister, if it gets to the point it simply is not viable, are you committed to making sure that the dollars being spent by the government are reasonably spent?

Mr BROOKS - There is a corporate governance as the shareholder minister in Tasracing, or one of them, I have full confidence in the board. We are not here to debate Tasracing, that is for GBEs. There are some wonderful people involved in the racing industry. There are also some very smart business people involved in the industry. We feel it is imperative that they are sustainable. We will not be shutting down any of the racing codes. It is not on the agenda. We want to see it grow. Additional government funding is not an option available to us to grow the industry. We need to work, and I will work, with ORI, with Tasracing, with industry stakeholders and with everyone involved in ways that we can come up with. The clubs are brilliant at this stuff, engaging the market and attracting more people. I met with a racing club previously about putting on another wood chop display. They are the sorts of things we need to do to get greater attraction.

I do not think every industry automatically needs more and more taxpayer money. I think we need to look at opportunities where we can fight for our fair share. The great thing is that we now have a continued commitment of Sky Racing being beamed into Asia of Tasmanian races and across Australia as well. Every single bet that happens on those races, the industry gets a percentage for. That is an exciting thing that we can harness. It is unlimited. I have said it in the Chamber before. You can put a bet, probably not now, on Jarryd Hayne scoring a touchdown last year on your mobile phone. The NFL and the 49ers got a cut of that \$5 bet or whatever you did. I think that is where we need to be able to compete, including initiatives like live-streaming Tasmanian races online so that people in Britain can log in and watch the race and have a punt on it if they want.

CHAIR - Thank you, minister. Our time has expired. The committee sincerely thanks you and all of your team for the work you have done in providing information to us today.

Mr BROOKS - Thank you, Chair. I thank everyone who has helped me today, in particular all the staff that have made me adequately prepared for this.

In one quick response to Mr Valentine, of 14 positives in 2014-15, four were thoroughbreds, three were harnesses and seven were greyhounds.

The committee suspended from 1.04 p.m. to 2 p.m.
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