

# UNCORRECTED PROOF ISSUE

**Wednesday 5 June 2019 - Estimates Committee A (Barnett)**

## LEGISLATIVE COUNCIL

### ESTIMATES COMMITTEE A

**Wednesday 5 June 2019**

#### MEMBERS

Mr Finch  
Ms Forrest (Chair)  
Mr Gaffney  
Ms Lovell  
Mr Valentine  
Ms Webb

#### IN ATTENDANCE

**Hon Guy Barnett MP**, Minister for Primary Industries and Water; Minister for Energy; Minister for Veterans' Affairs

#### Ministerial Office

**Ashley Bastock**, Chief of Staff  
**Laura Richardson**, Senior Adviser  
**Stewart Pedersen**, Senior Adviser  
**Matthew Hochman**, Senior Adviser  
**Vanessa Pinto**, Senior Adviser  
**Adrian Lacey**, Senior Adviser

#### Department of Primary Industries, Parks, Water and Environment

**Dr John Whittington**, Secretary  
**Ms Deidre Wilson**, Deputy Secretary  
**Ms Carole Rodger**, Acting Deputy Secretary  
**Mr Adrian Pearce**, Manager, Finance  
**Mr Stuart Fletcher**, General Manager, Land Tasmania  
**Mr Tim Grant**, Valuer General, Land Tasmania, Office of the Valuer-General  
**Dr Lloyd Klumpp**, General Manager, Biosecurity Tasmania  
**Ms Fionna Bourne**, General Manager, Water and Marine Resources  
**Mr Jason Jacobi**, Deputy Secretary, Parks and Wildlife Service  
**Danielle Poirier**, Director Agrigrowth

**Department of State Growth (Energy)**

**Kim Evans**, Secretary

**Gary Swain**, Deputy Secretary, Transport Services

**Sue Morrison**, Acting Executive Director, Energy

**Andrew Rayner**, Acting Director, Energy Market Development

**Department of Communities Tasmania (Veterans' Affairs)**

**Kate Kent**, Deputy Secretary, Communities, Sport and Recreation

**Nick Atkins**, Acting Manager Policy and Programs

**Scott French**, Principal Business Analyst

**Gina Webster**, Secretary

**Inland Fisheries Service**

**Mr John Diggle**, Director Inland Fisheries Service

**The Committee met at 9 a.m.**

**CHAIR** - Good morning, everyone. I need to correct the record in relation to a previous output group on Monday under the Treasurer's portfolio area with regard to output group 1 - Industry, Skills Development and Business Growth under Coordinator-General, and Industry and Business Development.

The deputy secretary of the department requested a change because some numbers were incorrectly read and it was the secretary's, Mr Evans', evidence.

I will read out the changes and if he wishes to say something after that, he is welcome to before we proceed with today's proceedings.

To read it in context, we were talking about consultancies -

**CHAIR** - We didn't ask about consultancy cost, we talked about travel cost. Do you have consultancy costs, and what areas of consultancy were they?

**Mr EVANS** -Yes, I have some extensive information on consultancy costs and contractors, over \$50 000 for the year 2018-19, for the year 1 July 2018 to 3 June. These only go to the end of April.

We awarded 45 significant contracts and consultancies over \$50 000 and advertised 43 tender quotes during the period 1 July to 3 June. The value of these contracts awarded was \$129 309 000.177.

**Mr GUTWEIN** - This also captures all the consultancies across State Growth that will be included in Infrastructure.

**Mr EVANS** - The majority of these contracts and consultancies relate to our infrastructure projects. If we can break those down, in Infrastructure, there were

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31 in the State Growth portfolio itself; the one we're examining, Science and Technology, 2; Arts, 5; and the Coordinator-General's office, 5.

In the State Growth area outside the Coordinator-General's office, the consultancies were: \$642 368, and the five contracts awarded through the Coordinator-General's office amounted to \$771 300.

### **End of corrections.**

**CHAIR** - Then the transcript continues as uncorrected. I wanted to correct those figures, for the record. I don't know whether the secretary wanted to add anything, minister, before you start?

**Mr BARNETT** - Thank you, Chair, I'll check if Dr Kim Evans would like to add anything.

**Mr EVANS** - I'm not a doctor, I would like to be.

Thank you for correcting the record. It was an inadvertent omission that we dropped a couple of Coordinator-General contracts that we subsequently discovered, so we wanted to quickly correct the record.

**CHAIR** - For your information, the committee will write to you with a few other subsequent questions as a result of the information we have received.

Welcome, minister, to your portfolio areas and I invite you to introduce the people at your table.

### **DIVISION 11**

(Department of State Growth)

#### **Output group 3**

#### **Energy policy and advice**

**Mr BARNETT** - Thank you very much, Chair. It is good to be back again; at the table are Kim Evans, Secretary of the Department of State Growth (Energy); Gary Swain, Deputy Secretary, Transport Services; and Sue Morrison, Acting Executive Director, Energy. There may be others from time to time during the day, but perhaps I can introduce them at the time more formally.

**CHAIR** - Minister, I invite you to make some opening comments if you wish to. Not too long, I assume you've got the drill by now.

**Mr BARNETT** - Yes, I've got the drill, thank you. I always welcome the opportunity for some opening comments because Tasmania a very exciting place to be at the moment in respect of energy.

We have an abundance of renewal energy; it's one of our greatest advantages and we are embracing those opportunities to build on our existing assets and to play a key role in the nation's energy future. Tasmania has what the rest of the nation needs and as the national market transitions, we are positioning Tasmania to take best advantage of those opportunities and encourage further investment in our state.

We are very focused on keeping the cost of electricity down for Tasmanian households and small business.

We are positioning Tasmania for the future - the electricity market has begun a period of dramatic change as the National Electricity Market transforms from one dominated by coal-fired generation to a more diverse combination of generation. Renewable sources include hydro and wind, and they have the potential to play a much more significant role. With our natural advantages in this area - world-class wind and world-class water resources - Tasmania is well-positioned to play an important role across the country.

Together with the Australian Government, we are investing up to \$86 million to progress the Battery of the Nation and the Marinus Link. These projects are the next generation of Tasmania's renewable energy infrastructure and we are pursuing them on a beneficiary pays basis to deliver for Tasmania, so Tasmania only pays its fair share. These nationally significant developments have the potential not only to inject billions into the Tasmanian economy, but also to deliver thousands of jobs, many of these in regional areas.

Alongside new wind farms, including those currently under construction at Cattle Hill and Granville Harbour, Battery of the Nation and Marinus will enable Tasmania to play a bigger role in an orderly transition to a lower carbon emission National Electricity Market while protecting our energy security. To ensure we can make the most of these opportunities, we must have the right policy settings in place within Tasmania and at a national level. In our jurisdiction we are already working towards the Tasmania-First Energy Policy, which you are aware of, with initial work focused on the Battery of the Nation and the Marinus Link.

Together with my counterparts in the COAG Energy Council, we are working towards creating a national framework capable of supporting strategic opportunities like the Marinus Link and Battery of the Nation.

One exciting example of longer term opportunities and emerging opportunities is hydrogen. Hydrogen has the potential to be a renewable cost-competitive energy source and may present a long-term opportunity for Tasmania. The Tasmanian Government is actively involved in emerging interest in hydrogen, including a policy agenda via COAG. In terms of having the fundamentals right, we are planning for intergenerational energy investments. We are also focused on managing these fundamental energy assets to deliver reliable, affordable energy for Tasmanians.

During the year, we progressed important changes to modernise our legislative framework and ensure it reflects a contemporary environment. The Energy Security Risk Response Framework recommended by the Energy Security Taskforce has been written into legislation through the Energy Co-ordination and Planning Amendment Act 2019. This includes formalising the roles of the independent monitor and assessor roles who have oversight of Tasmania's energy security needs.

Enshrining those important roles in legislation ensures their functions and powers are guaranteed. We have also progressed important updates to gas. Gas industry legislation to streamline the administration of the gas supply industry through the Gas Industry Act 2019. While ensuring Tasmania's legislation remains modern, responsive to contemporary environment, we continue to focus on keeping energy prices as low as possible for Tasmanian households and businesses. We have capped annual regulated power price increases to no more than the CPI for four years since 2017-18; provided \$5.5 million in energy rebates to commercial and industrial

businesses and continued our generous \$45 million concessions, supporting more than 90 000 Tasmanians.

We have provided assistance to low-income Tasmanians to reduce their energy usage by investing an additional \$1 million over four years in the Tasmanian Energy Saver Loan and Subsidy scheme. We are committed to supporting our farmers with the On-Farm Energy Audit and Capital Grant Program, which has provided subsidies to farmers to engage a qualified professional to review farm energy use and to purchase new energy efficient capital infrastructure.

The Budget's 2019-20 \$5.5 million Tasmanian Irrigation Renewable Energy Project will focus on reducing irrigation costs through micro hydro-electric systems that can be passed onto our irrigators. I spoke about this yesterday in the Northern Midlands.

We remain focused on reducing the cost of living and doing business in Tasmania. It is why Tasmanian households and businesses experience some of the lowest regulated electricity prices in the nation. It is not only about pricing; it is about empowering Tasmanians with the means to reduce energy in their businesses and in their homes.

In conclusion, the Budget is about investing in our state with intergenerational infrastructure investments, such as Marinus and Battery of the Nation, that will fuel economic growth for decades into the future. We are very excited. I am very excited. I am energised as the Energy minister and I love to see the opportunities for renewable energy development in Tasmania. We are, in Tasmania, the renewable energy powerhouse which will become the battery of the nation, providing low-cost, reliable clean energy, not only for Tasmanians, but for all Australians.

## **Output Group 3 Energy Policy and Advice**

### **3.1 Energy Policy and Advice**

**CHAIR** - This line item looks at the policy area, but we need to cover some of those projects and the advice you receive. One of the big issues talked about repeatedly with both the Marinus and the Battery of the Nation projects is that they are going to keep the price of power down for Tasmanians. Can you tell the committee exactly how it will keep power prices down?

**Mr BARNETT** - Obviously it will deliver a whole range of benefits in terms of investment - billions in investment and thousands of jobs. By bringing on more renewable energy development, whether it be pumped hydro or wind, more energy will be brought into the supply - it is the law of supply and demand. We have world-class wind and water resources. We already have low-cost energy in Tasmania and by bringing in more, it will keep downward pressure on power prices. I am happy to expand or ask Gary Swain to add to that.

**Mr SWAIN** - Mechanically, you would expect that to work, first, through the spot price. Battery of the Nation and Marinus will enable more wind and solar in both Victoria and Tasmania, not only Tasmania. That would first manifest in the bidding behaviour of entities into the spot market.

**CHAIR** - Yes.

**Mr SWAIN** - You would see a reduction in spot market. Now, separate to the spot market is financial contracting, which is how players - generators and retailers - manage their risks to that spot market. The spot market and the contract market are related, so if spot market goes down, you would expect over time the contract would go down.

**CHAIR** - What I am hearing the deputy secretary say, minister, is you expect to see an overall fall in the spot market price?

**Mr SWAIN** - Yes. It will be spot and then tracking through into contract; that is the way you would expect it to play out.

**CHAIR** - Yes. We are putting more energy into the market because we can generate more through wind. Not many big solar plants are being planned, not on this island; maybe on the big island. But, while that is true, isn't nationwide demand also increasing?

**Mr BARNETT** - Yes. Demand is increasing, but the supply will be increasing from Tasmania with our world-class wind and water resources and taking advantage of them. The cost of electricity in Tasmania is already among the lowest in Australia. We certainly believe that with introduction of the additional energy, in addition to the 100 per cent self-sufficiency by 2022, it will put downward pressure on the power prices. Gary might want to add to that.

**Mr SWAIN** - There has, over the last few years, been an increase in peak demand, but total demand has been growing quite modestly. We also have the transition of the national market going on.

**CHAIR** - Can you explain the transition of the national market?

**Mr SWAIN** - A number of coal plants will come to the end of their technical life over the 2020s and the early 2030s. The big unknown is what their commercial life is. One of the reasons is new renewables are coming in to fill an anticipated gap in the market. So, we have growth in relatively stable demand situation. But, with new supply coming in, the renewables want to get in as much as they are able to estimate as coal plants leave. There is a race to fill the void with uncertainty about when the void will be there. This is why there will be a spike in supply relative to demand, because people will be anticipating the coal exit and trying to get in first before other renewable projects set up.

**CHAIR** - We have all seen the graphs about where those impacts will occur. Coal producers generate a significant amount of energy, and once coal plants are taken offline, arguably demand will not diminish to the extent we have a significant oversupply of energy in this nation in the short-to-medium term that will drive prices down

**Mr BARNETT** - Yes. I will add to what Gary has said, and he can add to that if he would like to. The experts predict an estimated 12 000 megawatts of intermittent energy, wind and solar, will be needed primarily in Victoria and the eastern states in the National Electricity Market in the next couple of years. That will put more pressure on the cost of coal and tracking shows that disappearing over several decades, which has put more emphasis on the need for reliable energy.

The National Electricity Market, flagged by the federal government and Angus Taylor and supported by COAG energy ministers, wants a special focus on reliable energy because they know they will need it fast. We have it in Tasmania. We have it with hydro - we flick the switch and we

have access to that. That is why they are very keen to have access to our pumped hydro and access to Tasmania, being the Battery of the Nation. That is why it has been so well supported. In addition, the experts predict there will be a requirement for an estimated 17 000 megawatts of storage over the next 10 to 15 years. Reliable energy will be required over that time. We have what the nation needs in low-cost, reliable clean energy. Being able to tap into that market, we will benefit our mainland colleagues with excess energy coming out of Tasmania over and above the 100 per cent we hope to achieve by 2022.

**CHAIR** - All that is true, minister, but you are avoiding the question. It seems to me that demand is not going to diminish. It may be flat but it is not going to diminish. We are going to have some significant generators go offline. A lot of investment, and rightly so, is going into other renewable energies like wind, solar and battery storage to create that reliability you talk about. How will this drive power prices down? You have basically said to the people of Tasmania that we will have lower energy prices because of these projects.

**Mr BARNETT** - What we have said is that Battery of the Nation will deliver billions more in investment and thousands of jobs, and it will deliver energy security for Tasmanians because we want to get to that 100 per cent.

**CHAIR** - I accept all that, minister; I am talking about lower power prices.

**Mr BARNETT** - We have said that the Battery of the Nation will put downward pressure on power prices. The Tasmania-First Energy Policy is to deliver the lowest power price in Australia by 2022.

**CHAIR** - We are losing major generators and we are still trying to keep up and have the reliable energy you have talked about. I am not denying what you say; I want to know how it will push energy prices down if supply or if demand doesn't go backwards. If you investing in the nation in a range of other areas, you would expect a greater consumption of energy to be required. Any new mining development or manufacturing process uses energy, some of them are quite heavy energy users. You can't have one without the other. How does the supply suddenly exceed the demand such that it drives down prices?

**Mr BARNETT** - Tasmania already has amongst the lowest wholesale power prices in Australia. Low-cost, reliable clean energy entering the market will inevitably put downward pressure on power prices.

**CHAIR** - If it is a supply and demand question, how?

**Mr SWAIN** - If you go back to what is in the public arena for Marinus, the Government has come out with a current situation assessment that articulates it will need to progress on a beneficiary pays basis.

**CHAIR** - We will come to that.

**Mr SWAIN** - Based on the work that TasNetworks has done, that would imply the majority of costs are borne outside of Tasmania. That is on the transmission side. The Battery of the Nation is a scrutiny matter for Hydro to talk to. It is a business opportunity, not an energy security set of initiatives. It is a trading opportunity for Hydro. That trading opportunity will put extra supply into the market when it is most needed. Hydro can target high price outcomes in the national market

through interconnection in a way that wind and solar can't because they can't control when they come on unless they are stapled to a firming product like Hydro.

If you look at the world without Battery of the Nation and Marinus, you have some of that effect happening through the Snowy, but you will still have a lot of wind and solar when the sun is shining or the wind is blowing, which will decrease pool prices. There is still less ability for people to firm up contract offerings because -

**CHAIR** - For the mums and dads, we are on regulated prices. It matters to big business too but it also matters to the mums and dads. This is a whole supply and demand thing, I haven't been convinced that supply is going to exceed demand to the point it pushes down enough in the spot market to push the contract price down, which then influences our regulated price.

**Mr BARNETT** - I mentioned the demand for storage and reliable power over the next 10 to 15 years; there is a huge demand. If Tasmania can deliver double what we are doing now - 2500 megawatts with the pumped hydro opportunity - I would definitely have that in my sights as Energy minister for and on behalf of Tasmania. Snowy is looking at 2000 megawatts; that is progressing and we don't have any problems with that. We think that is great because there is so much demand and we won't be competing.

**CHAIR** - That is my point exactly.

**Mr BARNETT** - We are quite happy with Snowy 2.0. We say, well done, because there will be enough demand there anyway for the reliable energy coming from Snowy 2.0, but there is a big demand for reliable energy over the next 10 to 15 years. Exactly where that goes in 10 to 15 years is hard to predict because the national energy market will be transitioning out of coal over that time. We are in a very good place to take advantage of it, and we are delivering amongst the lowest wholesale prices in Australia.

**CHAIR** - Minister, can I go down a slightly different path? You said Hydro Tasmania can sell into the market at the premium price. We all understand how that works. Notionally, Hydro can make more money, so there are more dividends to government and a greater chance for the Treasurer to get his mitts on a bit more money to fix the budget problem he has, which he talked about on Monday. One of his key messages was that we are going to the GBEs for more money. That's fine but unless you subsidise retail electricity prices, Hydro making more money doesn't necessarily lower the price of energy costs for mums and dads or small, medium and large businesses, does it?

**Mr BARNETT** - I think you are aware of the Government's policy to have the lowest regulated power prices for residential and business by 2022.

**CHAIR** - I am aware of that.

**Mr BARNETT** - That is a commitment the Premier and I gave at Lake Gordon during the election campaign; we have adopted and are implementing that.

**CHAIR** - How will you achieve that? What is the mechanism to achieve that?

**Mr BARNETT** - That is through the delinking process. We can talk about that.



**Mr SWAIN** - I am aware that we are in the Treasurer's area of pricing, but I guess it is an obvious comment. A profitable Hydro gives the Government policy options. It can take dividends. It has a different set of options in terms of its wholesale energy price or the regulated generation price. Presuming no government would want to make its entity operate unsustainably, profitability is the starting point for options for the Government.

**CHAIR** - Yes, but that doesn't on its own drive down prices, so how are you going to achieve that lowest energy price for Tasmanians by 2022?

**Mr BARNETT** - Yes. Well, first of all, where are we at the moment? We are already the lowest in Australia for regulated prices for business. That's not my say-so, that's the say-so of the Economic Regulator and also Energy Consumers Australia. That's two independent entities, which is good. It's not my words; that's their say-so. For residential customers, regulated prices are among the lowest. We're already in a reasonably good position heading into 2022; we're sort of on track. Going forward we're looking at the delinking process. I think we've raised that before. I'm happy to talk about it again. Through that delinking, that's the through wholesale electricity pricing review, and as the deputy secretary said, that's more in the Treasurer's space, but as part of our energy policy we will be breaking the link in terms of our prices with the volatile Victorian energy market. We are developing a regulatory framework around that. A review is taking place. We expect a further report to be due mid-year this year, consultants -

**CHAIR** - And that's being done through Treasury?

**Mr BARNETT** - Through Treasury. I can advise the committee that EMCA is the consultancy that has been doing a lot of work and consulting broadly with the key stakeholders in Tasmania, and they expect to deliver that report by mid-year. Their initial report is online, it's on the Treasury website. That's the process. I'm wondering if Mr Swain would like to outline the delinking process a little further for the committee?

**CHAIR** - Before he does that, minister, can you tell us who EMCA has been consulting with? You said key stakeholders, but who are they?

**Mr BARNETT** - Yes, I'm happy to share that with you. I've got that list here. I'll just share those with you. There's the options paper, which is on the Treasury website. From early February this year, the following stakeholders were consulted: Department of State Growth, the Office of the Tasmanian Economic Regulator, Hydro Tasmania, Aurora Energy, UPC Renewables, Goldwind, Palisade, Tasmanian Small Business Council, the Tasmanian Chamber of Commerce and Industry, the Tasmanian Minerals and Energy Council, the Australian Energy Council and TasCOSS.

**CHAIR** - Not TasNetworks?

**Mr BARNETT** - I'd imagine TasNetworks would be consulted, but it doesn't appear on this list. We can check that for you.

**Mr SWAIN** - Well, they're a network entity so they don't have a direct interest in generation.

**Mr BARNETT** - Yes, that's it.

**CHAIR** - It's only on the generation side, not the transmission; we're not looking at the transmission at all?

**Mr SWAIN** - That's right, yes.

**Mr BARNETT** - This is just the wholesale electricity market pricing review process.

**CHAIR** - Right.

**Mr BARNETT** - It's undertaken by Treasury, but I'm happy to pass that on.

**CHAIR** - Again, if you can't answer this, that's fine, you can take it on notice. When is the review expected to be completed and legislation to follow? I think you said mid-year probably for the -

**Mr BARNETT** - For the report? Yes.

**CHAIR** - Well, we're nearly mid-year now.

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

**CHAIR** - Yes. So, are you saying it's soon?

**Mr BARNETT** - Soon, yes. That's what I am advised by Treasury, so I'm just passing on the advice I've received. Obviously, that'll take time and we're aiming to have this in place by mid-2021. Yes, so it'd be sometime next year. I'm not sure of the exact month, but I'm not sure that you can tie us down on a month. It's in the Treasurer's hands, but it'll be next year in terms of legislation in advance of 2021, which is when we want to -

**Mr VALENTINE** - What sort of changes are in the legislation, out of interest? What are the legislative changes going to address?

**Ms MORRISON** - It'll depend on the recommendations.

**Mr VALENTINE** - Yes, okay. Would it give the capacity, for instance, for power to be sold at a lower price to Tasmanians, below the National Electricity Market price?

**Ms MORRISON** - I think we'd have to leave that one to Treasury to respond to. It's their portion of the legislation that would be addressed.

**Mr VALENTINE** - Okay.

**CHAIR** - Going back to where I started with how is this going to drive down prices, you also talked about that thousands of jobs would be created in the construction of Marinus and Battery of the Nation. What modelling have you done around jobs? I assume we are talking about construction jobs being in the thousands. How many jobs do you expect to continue into the future once both of these are built?

**Mr BARNETT** - Thank you for the question. This not my assessment, it is an assessment that has been released with TasNetwork's report that was released, I think, in February this year. It's the

work of Ernst & Young and their assessment of Marinus Link and Battery of the Nation with, as you have outlined, some \$5 billion of investment in Tasmania - \$7 billion overall. There is definitely investment in Victoria as well, but in Tasmania, it's \$5 billion - thousands of jobs, energy security, and downward pressure on prices. We have the Ernst & Young report here. The grand total is \$5 billion, 2000 jobs. For Victoria, they have \$2 billion of stimulus and -

**CHAIR** - Two thousand jobs in Tasmania, or is that 2000 jobs all up?

**Mr BARNETT** - In Tasmania.

This is on the scenario of the Marinus Link and the 1200 megawatt capacity, which is what is planned. The assessment has been done, a business case is being undertaken with respect to that. Remember we had the interim feasibility report in February this year; a further report in December or at the end of this year looking at the business case of how that will stack up. The report released in February, the Ernst & Young report highlighted the \$5 billion investment in Tasmania, which would be as a result of the flow-on effect of Marinus Link, the interconnector, and then the flow-on effect of pumped hydro and various wind developments. Wind and hydro will stimulate the local Tasmanian economy by up to \$3.7 billion and inject a further 1000 jobs.

I will summarise that from the top. The Marinus interconnector alone will stimulate the local Tasmanian economy by \$1.3 billion and inject up to 1000 jobs.

**CHAIR** - During construction?

**Mr BARNETT** - That's the construction of the interconnector, yes.

**CHAIR** - You need to be clear because there are two different aspects here: one is the construction and one is after it is built.

**Mr BARNETT** - Correct.

The Marinus interconnector alone will stimulate the local Tasmanian economy by up to \$1.3 billion and inject up to 1000 jobs.

Renewable energy developments triggered by the Marinus interconnector - that's wind and hydro - will stimulate the local Tasmanian economy by up to \$3.7 billion and inject a further 1000 jobs. The grand total is estimated at \$5 billion of investment and 2000 jobs. The economic stimulus for Victoria is \$2 billion. Total for Victoria and Tasmania is \$7 billion stimulus and up to 3700 to 3800 jobs across Tasmania and regional Victoria.

**CHAIR** - During construction?

**Mr BARNETT** - Ernst & Young economic modelling is in the Marinus initial feasibility report in February 2019, which is the report I mentioned.

**CHAIR** - These are construction jobs?

**Mr BARNETT** - There is a whole range of jobs. Construction will obviously be very significant, but there will be a whole range of skills required, not just in civil construction. We have a whole list of skills that will be required, hence the federal government's support of \$17 million

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for energising Tasmania's Battery of the Nation, and they have invested that to support us in developing the skills necessary to do the Marinus Link and to deliver Battery of the Nation.

**CHAIR** - How much money is the Commonwealth giving for the upskilling and how is that being provided? Through a grant or what?

**Mr BARNETT** - It is a \$17 million commitment made during the election campaign by the Morrison Government, for which we are very grateful.

**CHAIR** - For training the people? Let's be clear about what this is for.

**Mr BARNETT** - Yes, I'm happy to do that.

**Mr SWAIN** - While we are waiting, a qualitative point rather than a quantitative point with Battery of the Nation, this is a whole series of individual generation projects, one of the advantages it would bring is not a static construction program but construction over a period of time. This you might hope would build some capacity like a road program and you need consistency for people to invest in their people.

**CHAIR** - You don't do the whole Midlands at once as it drives people from the north mad.

**Mr SWAIN** - Ten years.

**Mr BARNETT** - We are certainly excited and thankful for the Australian Government's support in providing \$17 million to the Energising Tasmania Initiative for free training in priority skills needs to ensure Tasmania can train a skilled workforce in readiness for our major energy developments. Regarding the energy skills training and development, I will need to liaise closely with Jeremy Rockcliffe, Minister for Education and Training.

Federal Energy minister Angus Taylor said -

Projects like this aren't nice to have, they are necessary to have we must have them we stand ready to finance them.

The Prime Minister said a few months ago -

We have got to get this second interconnector built. Tasmania will be charging up the rest up the nation, the one making the contribution to Australia. It means those that are benefiting will carry the financial cost.

**CHAIR** - Is the grant for training quarantined from the GST relative assessment from the Commonwealth Grants Commission?

**Mr BARNETT** - That is a good question and is a matter the Treasurer will have to work through at the appropriate time.

**CHAIR** - No, we should know before whether it is quarantined or not, otherwise we just pay for it anyway.

**Mr VALENTINE** - Yes, that is right, it is just like a loan.

**CHAIR** - I would like the minister to inform the committee as to whether that grant is subject to the Commonwealth Grants Commission review about GST relativities.

**Mr BARNETT** - That hasn't been determined yet; no decision has been made in that regard whether respect to GST exemption. Gary might want to add to that because these grants are provided from time to time.

**Mr SWAIN** - On a related point, we have been very conscious of this issue in the negotiation of the project agreement for the \$56 million and that funding is GST exempt.

**CHAIR** - I understand that.

**Mr SWAIN** - These were part of those broader conversations while that bit is there not yet, it needs to be formally worked through.

**CHAIR** - What is the process for determining whether this particular grant is GST exempt or quarantined from our assessment?

**Mr BARNETT** - We have just had a federal election and they are getting their feet under the desk; the Prime Minister is in the UK at the moment. This is an important question we will need to work through with the Treasurer at our end and with Angus Taylor and the federal treasurer.

We will need to take this on board and peruse it in due course. It has certainly been noted and I appreciate your interest and feedback, and we will follow up.

**CHAIR** - There was something that Gary wanted to speak about?

**Mr SWAIN** - The Battery of the Nation is a series of projects, spread across time with the potential to stimulate investment in capacity in our supply industries to those projects which is really important as opposed to it being a single big project where perhaps more of the workforce is flown in and then leave again.

**CHAIR** - What are the next steps with Marinus and Battery of the Nation? There was something in the briefing last week but not on the record. I am trying to have a lot of this information publicly available and for us to remember in the future what is said. What are the next steps for both, what funding is required and where is the funding coming from?

**Mr BARNETT** - One reason I offered the opportunity for a briefing last week was to try to keep decision-makers up to date with what is going on.

The design and approvals process is well and truly underway. We have received a \$56 million commitment from the Australian Government. That commitment was made on 24 February, I think, and subsequently signed with an exchange of letters and then an agreement. That funding has been committed and paid into the Tasmanian Government's bank account. That has progressed swiftly.

**CHAIR** - Can you give us amounts for each aspect of the project as you go?

**Mr BARNETT** - The \$56 million is for the first phase of the design and approvals process.

**CHAIR** - This is the one Mr Swain referred to as being quarantined from the GST assessment?

**Mr BARNETT** - Correct. That's progressing.

**Mr SWAIN** - There are a subcommittee of Cabinet and an interdepartmental committee that are doing the policy work that will support these two projects. It's on the public record.

**CHAIR** - Who is on that subcommittee of Cabinet?

**Mr BARNETT** - I chair the Energy subcommittee of Cabinet.

**CHAIR** - Who else is on it?

**Mr BARNETT** - The Premier, the Treasurer and the Minister for the Environment.

**CHAIR** - Thank you.

**Mr SWAIN** - Then the supporting departments are working up the policy issues around that. We are in the process of matching the key policy decisions for the Government around business case assessment, et cetera, with the work that TasNetworks is doing on Marinus and the work the Hydro is doing on Battery of the Nation.

It's in the public arena that the full work to go to the financial investment decision is more than \$56 million. What we are working with TasNetworks on at the moment is prioritising their work program to progress all the time-critical elements. Most significantly, they are things like the approvals process so that the project can continue to advance along the time frame which is needed by the national market, and that's to be able to be delivered into the national market by 2025.

In effect, you are working through prioritising TasNetworks' work with them to make sure that the critical path can be maintained. There will have to be further conversations down the track about additional funding as we work through the \$56 million.

**Mr BARNETT** - I will introduce Andrew Rayner, Director of Energy Market Development. Mr Rayner has been a wonderful support in this regard. Perhaps Mr Rayner could outline the agreement and then give details of the \$56 million?

**Mr RAYNER** - I will speak at a high level about the overall project schedule and then you can ask further details as required.

As the deputy secretary and the minister have outlined, there are two main elements that are being progressed. One is the project Marinus Link - that is on a timetable to advance to a final investment decision towards the later part of 2021. The key elements to get to that point are completing a business case assessment, which is due towards the end of this year. Then the Government will need to consider that and make the decision on going forward. Between that point and the later part of 2021 the key work elements there are progressing financial arrangements; environmental planning approvals; structuring tenders for procurement for converter stations and cables and those types of things. That is the second 18 months of that work program.

The Battery of the Nation work program has two main components: one is assessing how much latent capacity in the existing Tasmanian generation sector exists that could be freed up and used to export if there was additional interconnection.

**CHAIR** - Are you particularly referring to the runner [??]river systems?

**Mr RAYNER** - Yes, and some refurbishment of some of the power stations, which is scheduled to be refurbished anyway but there is optionality about how far you'd go in expanding capacity if there was a business case to expand that capacity. A feasibility study for that is due this year, the initial feasibility studies on pumped hydro sites, which have been progressively been narrowed down from 14 to three to eventually one that would be the preferred site to be developed.

That could back out additional interconnection if it was built, and so a feasibility study on that completed this year, and that work stream also going through to 2021 for a final investment decision so that the two can be considered together.

**CHAIR** - On that, minister, you talked about the beneficiary pays model. You have talked about how much money it is - \$5 billion is the cost you are saying is required. I assume that is for the whole project we are talking about.

**Mr BARNETT** - The 1200 megawatts is an estimated \$3 billion, for the cable. Obviously then there is an investment in the extra. There is infrastructure in Victoria, infrastructure in Tasmania, converter stations, as Mr Rayner outlined. In addition to that, you have pumped hydro and you have a range of wind developments. UPC, for example, has plans for up to \$3 billion of wind developments.

**CHAIR** - You are counting that in the total figure?

**Mr BARNETT** - Yes.

**CHAIR** - The private investment as well. I just wanted to clarify it.

**Mr BARNETT** - Yes. The relevant pumped hydro, the relevant wind developments, and the relevant interconnector costs.

**CHAIR** - The costs that nationally we are required to meet - I'm not saying we are paying for it all ourselves, but I'll get to that. How much is that - \$3 billion?

**Mr BARNETT** - That is an estimated \$3 billion, based on the TasNetworks report delivered in February this year. They had to do a business case, which will be delivered at the end of this year.

**CHAIR** - Which is what they are working on now?

**Mr BARNETT** - They are working on that as we speak, correct. That will be delivered to the Government at the end of this year. We will then need to think about that very carefully and share that with the Australian Government. Remember that project is supported by the Australian Renewable Energy Agency - ARENA - which is federal government funding, and TasNetworks, which is state Government. They both have their \$10 million in there, and that work is being undertaken as we speak.

**CHAIR** - We were told about the beneficiary pays model at the briefing, but you might like to repeat some of that. Because Tasmania has such a high level of renewable energy and capacity to be 100 percent renewable in meeting our own needs, the beneficiary pays model means that others will pay. How is this envisaged to work?

**Mr BARNETT** - It is along the lines that Tasmania pays its fair share.

**CHAIR** - Its fair share of what?

**Mr BARNETT** - Of the cost of the interconnector. It is based on the principle of the beneficiary pays, the beneficiaries meaning those that receive the electricity across the cable.

We will be 100 percent, all being well, based on our target by 2022. This is due to come on line around 2025, so we will be 100 percent self-sufficient. We will be exporting excess energy.

Exactly how that will flow out remains to be seen, but based on that understanding, that principle and that concept, the mainland consumers will benefit from such a link as Marinus Link.

There will be discussions in terms of those principles and how that is meted out. They will be very important discussions and that will continue at a high level.

As I have said before publicly many times and privately, it is national infrastructure. It has been identified as national infrastructure by Infrastructure Australia. It has been on their priority project list last year and this year. That has been accepted. I am grateful for that.

We put forward our submission. Infrastructure Australia has accepted that it is national infrastructure.

Likewise, it has been identified by the Australian energy market organisation as an important part of the future energy mix for the National Electricity Market and it has been identified as national infrastructure by the Australian Government.

**CHAIR** - I understand all that. How is the beneficiary pays model to work? Will each state be expected to pay more? Is the Australian Government going to top it up?

**Mr BARNETT** - That is an important question. We won't know the exact answer to that until the business case comes out at the end of the year. We will look at various models to implement those principles once that business case is done and dusted and we respond to that. These are really important questions and I totally agree - I would love to know now and answer that question but we don't have all the evidence and information available to answer that question. We need to ensure Tasmania pays its fair share and no more and that we benefit from this wonderful infrastructure project, which is national infrastructure.

**Mr EVANS** - In terms of the beneficiary pays principle, we have to start now and we have an investment of \$56 million from the federal government to start. During the working up of the business case and the further analysis of the viability of this project, we will sort exactly how that beneficiary pays model will work. The Government has made it clear from the outset that it is not prepared to foot costs beyond the benefits that would flow to Tasmania overall. We will reach a decision point that is resolved at the national level and we will have a decision to make.



**CHAIR** - The point I am making. We discussed this at the briefing the other day. If the costs don't stack up and Tasmania will be effectively worse off, there is a chance it won't go.

**Mr EVANS** - Going back to the point the minister made, this is national infrastructure -

**CHAIR** - I know it is in their interest to sort it out.

**Mr EVANS** - We need to resolve this at a national level. We have a position that we're not prepared to pay more than the benefit we receive. That is a discussion still to be had and resolved.

**CHAIR** - You need to be able to measure the benefit we will receive. Have we done that or is that the body of work being done?

**Mr EVANS** - That is the body of work that is still ongoing.

**Mr VALENTINE** - Is Tasmania's commitment in the development or the ongoing operation of the infrastructure?

**Mr EVANS** - Leading up to the decision, do you go forward or not?

**Mr VALENTINE** - That is outside any operational aspects.

**Mr SWAIN** - There are regulatory arrangements under the national market now that are better suited for transmission connection within a jurisdiction than across jurisdictions. The way that regulatory frame works is the cost of transmission has been allocated to the jurisdictions physically connected by it. If you look at the market modelling, you can get benefits that go outside those jurisdictions. That issue is not dealt with well in the current regulatory framework.

There is a body of work going on nationally to look at revising those arrangements. It is an issue for our project and it is a pressing issue for a couple of interconnects that really need to be progressed in the next few weeks. They face imminent decisions, so there is a lot of impetus to get that regulatory change to happen. In addition to that, the Commonwealth has got directly involved in projects, most notably through Snowy, where it has invested a \$1.4 billion equity injection, which has already been made. There will be two sets of discussions, there will be officer-level regulatory discussions through the COAG energy policy-making process or framework and there will also be political discussions.

**CHAIR** - On that point, am I hearing that it will be a regulated link?

**Mr BARNETT** - These decisions have not been decided yet, they won't be decided until we see the business case at the end of this year and review it and consider it very carefully. Yes, that is one clear option, a regulated link, another option is an unregulated link. We need to look at the pros and cons of both and a lot of work is going on. It is funded by the federal and state governments. The business case study is being undertaken as we speak.

**Mr VALENTINE** - Decoupling on the National Electricity Market is not going to impact -

**CHAIR** - On the pricing, we are not unplugging the cable.

**Mr VALENTINE** - It is only the pricing, it is not the rest.

**Mr BARNETT** - It is only the pricing, delinking from the National Electricity Market pricing. We still have that link, Basslink is there, and we are looking at a second interconnector.

You asked about the skills with the \$17 million, I thought I would mention the high level. We need the design, engineering - civil, mechanical and electrical - project management, civil construction, trade skills - electrical and mechanical - and transport skills, and there's a range of skills outside that. There's a lot of work to do in terms of upskilling and training. We're very grateful for that \$17 million support and I'll be working closely with Jeremy Rockliff in developing a system to prepare to go full steam ahead to deliver this national infrastructure and state-leading, nation-leading renewable energy development.

**Mr VALENTINE** - I'm interested in some of the variables of power generation. You have a number of private enterprise operations and you also have the issue that it might not rain. We've got renewable energy that might be of a flaky nature, in solar and wind, that takes care of some of the downside if it doesn't rain. The pumped hydro is going to be essential to reuse the water. Do you see any major problems and issues with those variables? We can build this infrastructure but we can't export enough because we don't have enough water to create the baseload power that's needed.

**Mr BARNETT** - Yes. They're good questions. There are risks in any project and risks for anybody, anywhere. The risks are much more significant on the mainland with respect to their intermittent energy, wind and solar; they do not have access to reliable power. We gave them a lifeline when it was very hot in February this year. They had several hundred thousand homes without power; a serious risk to people's health, life and the economy in Victoria. That's why they are in desperate need of our reliable energy. We have that thanks to a hundred years of hydro industrialisation and this wonderful world-class asset we have.

We have world-class wind, world-class water. I'll give you a statistic; we have 1 per cent of Australia's geography and 13 per cent of Australia's water. We're very grateful of that and we're trying to harness that and use it to the best of our ability. We want to use that water again, again and again. Yesterday I announced the \$5.5 million Renewable Energy Project that will benefit the irrigators with mini-hydro and micro-hydro on those irrigation schemes. We already have it for the Meander Dam, Winnaleah and Northern Midlands. We want to take that further to reduce the cost of doing business and energy costs for our farmers.

**CHAIR** - Can I just ask you what world-class wind is?

**Mr BARNETT** - Yes.

**CHAIR** - Doesn't it go around the world anyway and it's the same wherever it is? You keep using the term, so what is world-class wind?

**Mr BARNETT** - Yes. That's a really good question, and wind does go around from west to east around the world in the southern hemisphere. We're in the roaring forties; Tasmania is well situated south of the mainland of Australia so we have that expanse and the winds coming straight across onto our west coast and King Island. We have three renewable energies -

**CHAIR** - It hits my electorate all the way up.

**Mr BARNETT** - You're in a hotseat, you're in a renewal energy zone.

**CHAIR** - I know, a windy seat.

**Mr BARNETT** - You're in a windy seat; you have world-class wind in your electorate of Murchison, that's for sure - west coast and north-west coast. Likewise, the north-east is a renewal energy zone, as well as the Central Highlands moving to the east coast -

**CHAIR** - Well, I've already used it by the time it reaches your lot.

**Mr BARNETT** - Well, that's the thing. We want to use it again and again and again. We've got strong, consistent wind. The beautiful thing about Tasmanian wind is that it blows at a different time to Victorian wind. We can benefit from being different and having a comparative advantage. Gary, do you want to add to that?

**Mr SWAIN** - Sue might be able to add more than me. The wind factor, the percentage of the time its blowing in Tasmania, is north of 50 per cent in some cases, which is extraordinarily high. A very good wind factor in other places would be 40 per cent.

**CHAIR** - We don't have any land in the way to stop it.

**Mr VALENTINE** - So, it's world class.

**Mr SWAIN** - We're naturally blessed.

**CHAIR** - That's why it's world class.

**Mr SWAIN** - Yes. It's the reliability of it.

**Mr VALENTINE** - It brings complications, coming off the ocean and causing all that corrosion.

**Mr BARNETT** - It is world class and because we are targeting 100 per cent fully self-sufficient and fully renewable. We are targeting by 2010 to be one of possibly three countries in the world with 100 per cent fully clean energy. We are way ahead of not only the rest of Australia. but the rest of the world. I see this as a big attraction for Tasmania and part of the Tasmania brand. A major business investor, I won't say who they are, is seriously looking at investing in Tasmania with a multimillion project. A key reason is because we have a target to be 100 per cent fully clean energy by 2022. They want to stamp their product 'Tasmania brand 100 per cent fully clean'.

This will be an attraction and why we will have more investment. This is part of our strategy for the future.

**Mr VALENTINE** - Providing we do not import coal-fired electricity.

**CHAIR** - It is a shame some of your federal colleagues don't get this in terms of the need for total renewables. A separate question and a political thing you do not need to respond to.

## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - It has to be low cost and what we have in Tasmania is low cost. Reliability is a premium recognised by the Australian Government, and clean. This is an advantage for us. We have a trifecta - what the rest of the nation wants and needs and we are planning to deliver that.

**Mr VALENTINE** - Can I go to a different policy item?

**Mr SWAIN** - There is an import back and forward on Basslink so you can have notionally coal electricity come to the state, but without that interconnection Tasmania cannot make the contribution it is possibly able to make.

**Mr VALENTINE** - I appreciate that. The real issue is it is net 100 per cent clean, but not actual.

**CHAIR** - When we buy it.

**Mr VALENTINE** - Yes.

**Ms MORRISON** - One of the possibilities is we could net more than 100 per cent because we are looking to do the heavy lifting.

**CHAIR** - Because of the amount we send across.

**Mr VALENTINE** - That is fair too.

**Mr SWAIN** - Of potential interest to the committee and to support what the minister said - with Snowy Hydro, it can export hundreds of megawatts for a week or two. Like Tasmania's Hydro, it has more capacity than storage. The difference with Tasmania is we can, with the energy security framework now in place and good water levels, export for months on end. We really do have a unique set of assets in Tasmania.

**CHAIR** - You effectively bank your water until you need it as you have other options.

**Mr SWAIN** - But even Snowy, which is used as the comparator, cannot supply the same product Tasmania can. It can supply firming for a week or two, but it can't supply it for weeks or months on end because of its storage.

**Mr VALENTINE** - It does not have the capacity, but then it is going into pumped and you would expect that will improve for them over time.

**Mr SWAIN** - That is right but the laws of physics still apply. It does cost money to pump.

**CHAIR** - It is zero to pump it up hill.

**Mr SWAIN** - If you can use your storage capacity and topography.

**Mr BARNETT** - You are talking about pumped hydro for Snowy 2.0. We have not one opportunity, but we have 30 power stations in Tasmania and our geography and topography are strategically placed for further pumped hydro. The other point is Hydro is already investing in a billion dollars over a 10-year period in upgrading and maintaining these various facilities.

The most important one that you might be aware of is Tarraleah. We are talking about a significant upgrade or a whole new power station at Tarraleah as an option, and that work is being undertaken at the moment. Again, the federal government and Hydro are supported in doing that work through ARENA. That work is underway and towards the end of this year or early next year we should know which way they want to go. We are talking about hundreds of millions of dollars of investment in Tarraleah and only one of our 30 power stations.

You are talking about Snowy 2.0, but we have lots of opportunities in Tasmania. We already have a resource here, as Mr Swain has indicated - 30 power stations delivering 2500 megawatts into the system, benefiting Tasmania. And over time if Hydro sets up, we will have our \$30 million investment in those top three pumped hydro projects, whether it is Lake Rowallan, Cethana, Tribute on the Murchison - another good name, Murchison on the west coast. We plan to be the top one for pumped hydro, but there's no reason that we can't do a second, third or fourth in due course. There is no reason we can't plan for that - it would be my vision to have further interconnectors with the mainland because that will open up more opportunities for renewable energy development projects in Tasmania.

**Mr GAFFNEY** - In future, we are putting a lot of money into improving the dams and power stations we have, which is fine. If our energy market is going down this way and we are relying on infrastructure assessed so many years ago, with the interconnector and that sort of thing, is it part of the Hydro's gambit to look at better sites or future sites? We are looking at 2050 or 2070, that sort of thing.

**Mr BARNETT** - It is more of a question for Hydro Tasmania but, as the relevant minister, I am happy to say that they have a billion dollars to upgrade their existing facilities and existing sites over the next 10 years. They are aware and would be keen to upgrade wherever possible, whether it is on an existing or a different site, but they are also cognisant of the land classifications that apply to those areas, whether it be national park, World Heritage, regional reserve or private land. They are aware they would need to go through due process in the development and environmental approval process.

**Mr GAFFNEY** - Is Hydro looking for a new dam site? Is that part of their [inaudible] I am not talking about damming the Tamar River.

**Mr BARNETT** - I can't speak for Hydro Tasmania. They brief me and I consult with them regularly. It is more of a question for Hydro Tasmania but they are always looking for opportunities, as they are at Tarraleah, and that is a real opportunity. Let's take Tarraleah as an example: one opportunity is to upgrade the existing plant or to create a new power station at Tarraleah. We are talking hundreds of millions of dollars of investment to make that happen. Whether they raise the level for the holding dam further up from the power station, all those things are being considered.

**Mr SWAIN** - All else being equal, an existing power plant upgrade will always be cheaper than a greenfield because you have so much supporting infrastructure, the transmission lines, the aqueducts, everything around the power station is already there.

**Mr BARNETT** - They are not looking for any new dam sites on existing rivers. They are looking at pumped hydro sites. That is our focus and they have dozens of people -

**Mr GAFFNEY** - I understand all that; I was asking whether there was any consideration -

## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - I want to be very up-front that they are not looking for dam sites on existing rivers at the moment; their main focus is on pumped hydro and upgrading existing sites.

**Mr VALENTINE** - It brings Lake Pedder into question, with that body of water and how much water comes out of that, which is probably very little because users have to go through parliament to access that water. Has the Government released a policy statement on that?

**Mr BARNETT** - Lake Pedder is an incredibly important resource that feeds into Lake Gordon, which is our largest power station. We are incredibly grateful for that. It's a very important part of our energy mix and a valuable asset for Tasmania. I'll give you the facts and figures. Lake Pedder, as energy infrastructure, contributes 40 per cent of the water used in the Gordon Power Station, powering over 50 000 homes and businesses each year. It contributes approximately 13 per cent of Tasmania's total power generation. It is a really important part of that.

**Mr VALENTINE** - Gordon is, I appreciate that. There is discussion in the public arena about whether the water in Lake Pedder is needed because it's never used.

**Mr BARNETT** - It is absolutely needed. It provides 40 per cent of the water used in the Gordon Power Station. It is a critical part of our energy mix and I have no intention of responding positively to Bob Brown or the Greens' claims to drain Lake Pedder. That would be an economic and environmental disaster for Tasmania.

**Mr VALENTINE** - That is quite clear, thank you, minister. I'm interested in the water use out of Lake Pedder. You say 40 per cent but that's out of Lake Gordon, isn't it? Taking water out of Lake Pedder is a different story. It has to go to parliament. Can you give me an understanding as to how that resource is being used? Maybe it's a question for Hydro?

**Mr BARNETT** - Yes, it is a question for Hydro and perhaps for scrutiny. It's a fair comment, absolutely. It's part of the water resource that feeds into Lake Gordon. Pedder goes into Gordon, Gordon goes down the power station and creates 13 per cent of Tasmania's total electricity generation. It's a key part of that; 40 per cent of the water is from Lake Pedder. It is an absolutely critical part.

**Mr VALENTINE** - It flows through Lake Pedder?

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

**Mr VALENTINE** - Yes, I might investigate that further. Has there been any policy movement on electric vehicles and stamp duty not being applied to electric vehicles at purchase? We talked about this last year. What are the Government's thoughts?

**Mr BARNETT** - Thanks very much, Mr Valentine, I know you have an interest in electric vehicles. I've been up and down the highway in my electric vehicle since we last met. I appreciate that opportunity and it's definitely part of our future and we have to find a balance.

The Minister for the Environment is leading our Tasmania's Climate Change Action 2017-2021. That question is definitely relevant to her. We have an electric vehicle working group and we have key partners in that. That's to coordinate an approach to support the uptake of electric vehicles in Tasmania. One of the key concerns for current and prospective electric vehicle owners

is to recharge quickly and conveniently, particularly on long journeys, such as Launceston to Hobart; we've been hearing about the challenges this morning.

**CHAIR** - There's a charging station at Kempton.

**Mr BARNETT** - At Kempton?

**CHAIR** - Mood Food. I stopped there on the way down.

**Mr VALENTINE** - There's one coming into Campbell Town.

**CHAIR** - You didn't see it. You have to go behind the back of the shelter shed.

**Mr VALENTINE** - I think Campbell Town's also in the sights, isn't it?

**Mr BARNETT** - Yes, Campbell Town is. We've committed \$500 000 in funding to support electric vehicle charging infrastructure, through the ChargeSmart Grants Program. Last year, ChargeSmart provided funding of approximately \$50 000 for the installation of electric vehicle charging stations across a variety of workplaces, including local government, schools, private businesses and GBEs. In 2019, \$450 000 has been provided to expand the rollout of a statewide electric vehicle charging network for local users and visitors.

Our funding supports both fast chargers, which enable electric vehicle users to charge promptly to complete longer returns and longer routes, and destination chargers, which provide a slower rate of charging are suited to destinations where electric vehicles are typically parked for an hour or more.

In regard to destination charging, applications have closed and grants of \$2500 have been provided to 11 organisations to install alternating current electric vehicle charging stations. The program will see charging stations set up in the north, south, north-east, north-west and on the east coast in locations including public car parks at councils, businesses and visitor destinations.

The grants program will stimulate a total charging infrastructure spend of approximately \$70 000.

With regards to fast charging, grants of up to \$50 000 are available to support organisations to install fast chargers and applications closed on 24 May. There was strong interest in the program; 28 applications were received and they are currently being assessed. You can get more information on the Premier's website, [www.climatechange.tas.gov.au/](http://www.climatechange.tas.gov.au/), and that of the Minister for the Environment.

The Tasmanian Government's Smarter Fleets Program provides tailored information, guidance and support for fleet managers to reduce their fleet costs and emissions, including consideration of electric vehicles.

Under our Climate Action 21, the Smarter Fleets Program has been extended to include Tasmanian government agency fleets, local government fleets and heavy vehicle fleets in Tasmania.

The Government is committed to reducing the state's fuel costs and transport emissions by supporting the uptake of other forms of transport, such as public transport, cycling and walking.

**Mr VALENTINE** - I am still waiting to get my opportunity to charge my vehicle here.

**CHAIR** - He runs an extension cord out of his office.

**Mr VALENTINE** - Not allowed to do that - occupational health and safety problem.

**Mr SWAIN** - For your interest, the ANCAP safety rating has been moved up to 5 for the government fleet, as a policy decision in the last year. There are a number of electric vehicles on the government fleet register now. They are starting to, through that -

**CHAIR** - At what levels?

**Mr VALENTINE** - There is an A list and a B list.

**Mr SWAIN** - I don't have that detail.

**CHAIR** - Might only be for the heads of agency level, are we talking about?

**Mr SWAIN** - I don't think so, no.

**CHAIR** - That is a question, you see. You need them in the broader fleet. You need them so they are turned over into the community more promptly.

**Mr SWAIN** - There is a lot of interest in this in the transport space - if I'll put another hat on.

**Mr VALENTINE** - As long as they are looking at opening up the points downstairs, I'm happy. It means I can have my car charging up while I am sitting at work.

**Mr BARNETT** - You'll need to talk to the Speaker and the President.

**Mr VALENTINE** - That's right. The question is: do you provide advice to the Minister for the Environment through this output?

**Mr SWAIN** - This is a crossover issue, so it sits with the climate change minister. Where anything comes up in the transport policy process, I would advise both ministers.

**Mr BARNETT** - I can tell you who is on the Electric Vehicle Working Group: Gary from State Growth, Australian Electric Vehicle Association, Aurora Energy, Department of Health, Department of Justice, Premier and Cabinet, Treasury and Finance, Hydro Tasmania, Local Government Association of Tasmania, RACT, Sustainable Living Tasmania, TasNetworks and the University of Tasmania.

**Mr VALENTINE** - Gary started talking about transport. He was just about to make a comment.

**Mr SWAIN** - Just out of interest, not for any technical reason, but there is pretty much a one-for-one correlation between manufacturers looking to build autonomous vehicles and electric vehicles. For branding reasons, people who are interested in autonomous vehicles also want a brand for their vehicles of the future so they are looking at electric vehicles.



Because autonomous functionality is such a big policy issue in transport, that is increasing interest in electric vehicles through the Transport ministers' side of COAG, and some jurisdictions are actually starting to talk about targets for their areas.

We will bring that back and relate it to the Energy minister as it evolves.

**Mr BARNETT** - We should mention that the Bruny Island ferry is looking at being electric powered, which would be quite unique. It is a pretty special arrangement. That is being looked at, at the moment. Gary is across that.

**Mr SWAIN** - SeaLink has just made a commitment for its second vessel to be built in Tasmania. They are quite keen to do it as an electric vessel; because of the physical nature of the route, they tell me it's ideal.

**CHAIR** - Which area is this?

**Mr SWAIN** - Bruny Island. It is physically ideal for the charging.

**Mr VALENTINE** - Short run, charge at each end.

**Mr SWAIN** - They are talking to ARENA about that at the moment and the Government is supporting their approach.

**Mr VALENTINE** - I think I was getting a 'no' about the charging at each end.

**Ms MORRISON** - Probably not charging at Roberts Point, probably only at Kettering because of the nature of the grid, but that is still being looked at.

**Mr BARNETT** - That submission has gone to ARENA, the federal Australian Renewable Energy Agency, and I have written a letter of support. I know the Minister for Transport and Infrastructure has written a letter of support so that has gone through for consideration. I haven't heard back yet but I hope that will be positively considered.

**Mr VALENTINE** - The only other issues are the poles, wires and farmers.

**CHAIR** - Let's not go on to that yet, if you don't mind. It is a separate issue. We want to finish off this one and then we will have a break. We will come back to it.

**Mr BARNETT** - I am happy.

**CHAIR** - An electric vehicle point. I think notionally Tasmania has an advantage here because if you are on the mainland and you are using an electric vehicle you are just using energy produced by coal, in terms of branding. The other thing, and this is perhaps more a question we can follow up at the end of the year with GBEs, is the pressure it puts on the TasNetwork infrastructure. They told us the year before last that does present some challenges because of the nature of when the charging predominantly occurs. It is an area that does need to be looked at in terms of TasNetworks. I will come back to this when we come back on investments in the grid that might be required for that and also for the second interconnector.

We will have a morning tea break now and come back to that. Then we will go over to the poles, wires and farmers.

**The committee suspended at 10.22 a.m. to 10.37 a.m.**

**CHAIR** - Before we broke for the morning tea-break, I was talking about the impact of electric vehicles on the grid. TasNetworks has raised some concerns about this. I know it's probably more a question for TasNetworks at a later time. Also, I understand a lot of work needs to be done on the infrastructure that TasNetworks is responsible for in relation to a second interconnector, and even on the west coast, where there's hopefully a tin fumer going into Renison. There are places like that where it is overheating now and they had to trim back the corridor so we don't have a bushfire. Some real work needs to be done there. Adding these other things into it must create some additional challenges.

**Mr BARNETT** - It does. Yes, it is primarily a question for TasNetworks, which is for the GBE scrutiny committee later in the year. Having said that, yes, the system does need augmentation with the Battery of the Nation plans, 100 per cent. We can come to that and flesh it out a little bit more if you'd like. There are demands like on the west coast and in other parts of Tasmania where you have more development, investment and growth opportunities, they have to respond to those demands and then extend the transmission network.

A good example is Cattle Hill Wind Farm in recent times. They had to do an agreement and extend the transmission system to Cattle Hill Wind Farm, which is under construction. I've already opened one turbine a few weeks ago. That's tracking really well. They've worked positively with the developer and have a mutually agreeable outcome in that regard.

In terms of electric vehicles, yes, we're the most decentralised state in Australia, so we have challenges compared to Melbourne, Sydney and other big cities. Sue Morrison is across this pretty well. I should say that electric vehicles is not my portfolio area. The Minister for the Environment is totally across electric vehicles as part of our climate challenge and climate policy, which Elise Archer is very much across and very keen to pursue and progress. It does overlap a bit with my Energy portfolio, but I'll pass to Sue Morrison to flesh that out.

**Ms MORRISON** - In relation to EV charging, one of the issues nationally is about time of charging. Energy Networks Australia has done a fair bit of work on the transformation of the grid project that they've been working on for a number of years. One of the things they're seeking to highlight is that the standard model of someone coming home from work, turning on the air conditioner and plugging in the car to be charged all at the same time is not good for peak demand. It is a stress on the network. One of things that is worked on nationally is trying to make sure there are signals pre-empting that, so when there is a big intake of EV charging, you would be looking at people plugging their car in to charge a little later in the evening when the rest of the demand was reduced. With advanced metering technology -

**Mr VALENTINE** - The cars do it themselves. You can tell my car when to start charging.

**Ms MORRISON** - Those measures are being explored nationally. In Tasmania - the minister read out the list of bodies represented on the Electric Vehicle Working Group - it is within Ms

Archer's portfolio. TasNetworks is actively involved in that and with assessment of the ChargeSmart grants to ensure the capacity of the network is taken into account.

**CHAIR** - The upgrades to the infrastructure necessary for the second interconnector, is that something you are taking to the federal government to look at funding to assist?

**Mr BARNETT** - Yes, the Marinus Project includes augmentation at both ends, Victoria and Tasmania, the cable in between, the convertor stations and the necessary augmentations to build the infrastructure. That work is underway. As part of the business case assessment the interim feasibility report was delivered in February this year, which addressed some of those issues. Work is needed to identify where augmentation infrastructure development is required, the cost and the business case. Mr Rayner can speak to that.

**Mr RAYNER** - Yes, some augmentation of the Tasmanian system is required to build a new cable and we need to plug it in somewhere. It is not a small undertaking to plug a new 600 megawatt- or 1200 megawatt-worth of cables into the Tasmania network. That is the equivalent of another two Basslinks. You may be aware that Basslink currently plugs into the George Town substation and it is the single biggest load in the Tasmania system when it is operating at full capacity. You are looking at a challenge of doing that another couple of times over.

The technical considerations TasNetworks faces in how to connect into the network to maintain reliability and security of the Tasmanian network are at the forefront of their thinking. It is not likely or advisable to put another pair of interconnectors into George Town because you are loading up one point of the network and creating a series of risks. Somewhere else along the north or north-west coast would make more sense and TasNetworks is looking at point in the network where it could most reliably connect.

**CHAIR** - They have narrowed that down to the Burnie area.

**Mr RAYNER** - They are on the public record as saying that they are considering two options, one being Sheffield and the other somewhere around Burnie. There are different considerations in the impact on the Tasmanian electric system. The choice of those is quite important in determining what other work needs to happen to support it.

Some other considerations sit behind that choice as well as stability and reliability of the power system. The other is the strategic positioning of the network for future growth in terms of facilitating future renewable energy. You would be aware that north-west Tasmania has been identified as a renewable energy zone, which means wind proponents are being directed to and encouraged to look at that so that one set of network investment can support a whole zone. It might be that facilitating the renewable energy zone will push your preferred site further along the coast. That also might complicate how that infrastructure might be paid for if you suddenly have multiple users each using a network augmentation. The Marinus Link would be using it and future third-party wind proponents might be using it. The rules around how some of those costs get allocated are still under development, so that is another complication behind it.

**CHAIR** - That's a body of work being done at the moment.

**Mr RAYNER** - That work is being done, that's exactly right. At a principle level, when the Government took its decision that Tasmanian customers shouldn't pay more than their share of the benefits for the Marinus Project, that principle will apply to on-island augmentation as well. In the

material TasNetworks is putting together for regulatory tests and the business case, all the costs will be bundled in and the principle will apply; as Marinus should only be paid for by the people who benefit from it, so too should the network augmentations that facilitate Marinus.

**Mr SWAIN** - I have two points to pick up from Mr Rayner's comments. The current Basslink is about 600 megawatts. The configuration; 1200 megawatts in two 600s, we have the system security and protection mechanisms in place to deal with increments of that size.

While the dollar value of the project is big, the technical complexity is core business for TasNetworks. The on-island stuff is more of what they do all the time. It is not fundamentally different. As we go into the future, honourable members might see approvals processes, regulatory processes, the regulatory investment test for transmission - RIT-T - process for looking at the regulation of Basslink come into the public domain. The elements of that may be different from the funding discussions. We might have an approvals process for the converter station, out- and on-island approvals, but that shouldn't be conflated with funding. The funding may be different to the physical break-up of the project for approvals.

**CHAIR** - When they do the regulatory review, the pricing review -

**Mr SWAIN** - Tasmania should be arguing that the on-island stuff is necessary for the off-island stuff and the beneficiary pays principles should apply to all the costs of the link.

**CHAIR** - I am not sure when the next review on the pricing tariffs is due.

**Mr RAYNER** - In 2024.

**CHAIR** - We will have an idea by then. Over to you, Mr Valentine, on farmers.

**Mr VALENTINE** - How far can we go with the poles and wires issue? Can we have an update on the Government's policies? You guide me as to how far you can go in dealing with this.

**CHAIR** - We can ask other questions of TasNetworks later and the year.

**Mr BARNETT** - Thank you for the question. Yes, it has been ongoing and I am pleased to advise it has progressed. We have been able to clarify the issue of ownership concerning private electricity infrastructure. Work has confirmed the legal position, which was reaffirmed in a recent Hobart Magistrates Court decision; that unless evidence can be shown to the contrary, private ownership and thereby responsibility for maintenance of those private assets resides with the landowner. It is recognised that there will be unique cases that will need to be assessed on a case by case basis to clarify the ownership of that infrastructure. Consumer, Building and Occupational Services has established a dispute resolution process to resolve any issues in the small percentage of cases where that does occur. This is an ongoing issue. It hasn't been resolved but we have progressed and we have ensured the relevant agencies have established clarity on that issue. TasNetworks have worked with the Tasmanian Farmers and Graziers Association - TFGA - and other stakeholders around Tasmania. We have some 65 000 private power poles.

**Mr VALENTINE** - It's not a small number, is it?

**Mr BARNETT** - There are a lot of power poles and associated electricity infrastructure. That is a summary. TFGA has had ongoing engagement with TasNetworks. That is more of an issue

for GBE later in the year, but I am giving you an update. We will continue to engage with the TFJ and its members as required, and that is the clarification I am able to give to the committee. I will check if there is anything to add.

**Mr VALENTINE** - Thank you, minister.

**Mr BARNETT** - A pleasure.

**CHAIR** - Okay. Anyone else on another topic?

**Ms LOVELL** - Thanks, minister. The Government's current dividend policy for GBEs as we know is 90 per cent. Is that policy sustainable for the energy GBEs into the future?

**Mr BARNETT** - Obviously, a matter directly relevant to the Treasurer as stakeholder minister for the three energy GBEs we own, so Hydro and state-owned corporations. Our objective is to ensure they operate on a sustainable and profitable basis. In terms of the advice of 90 per cent, obviously this is reviewed from time to time and is a matter for the Treasurer and Government as a whole, discussed in Cabinet in advance of any budget. I will check whether Gary has anything to update us on the policy.

**Mr SWAIN** - Only a minor point of detail with the GBE returns and the Government revenue projections in the budget. There is an increase in returns in 2019-20 off expected favourable trading conditions for Hydro, but then they are pretty stable into the out-years. The short answer is the Budget takes sustainability into account.

**Ms LOVELL** - Thank you. You would be aware of the Treasurer's comments that there could be an increase in dividends and one of the options the Government will be considering around the efficiency dividends that need to be implemented. What is your advice on whether energy businesses have the capacity to pay any higher dividends?

**Mr BARNETT** - The GBEs' objective is to ensure they are sustainable, profitable, and meeting the objectives which the Government sets. We are pleased with the work of the GBEs and how they have delivered for Government, taxpayers and the Tasmanian people. We have talked about TasNetworks transmission system and Hydro Tasmania this morning. We have not spoken much about Aurora Energy, but they play a very important role. I am confident they can continue in a sustainable and profitable way. These matters are reviewed from time to time, particularly in advance of any budget cycle, and over the next four years obviously. The Treasurer is a stakeholder minister with myself in those relevant GBEs and state-owned corporations. We work closely and well together; I have an excellent relationship with the Treasurer, and we are likeminded in wanting to ensure we have sustainable outcomes benefitting Tasmania.

**CHAIR** - On that point there is a couple of things. In the Policy Parameter Statement in budget paper 1, page 65, it is clear these are the parameter changes in relation to dividend income and particularly income tax equivalents.

**Mr BARNETT** - Sorry, what was the page again?

**CHAIR** - It was page 65; the Policy and Parameter Statement indicates clearly that for TasNetworks in 2019-20 there is a lesser expectation of dividend income. Hydro Tasmania and TasNetworks both have a lesser expectation over the forward Estimates periods of dividends. That

is not the amount; that is how much less they are expected to pay from previous years. Looking at the income tax equivalents is the same, which indicates they are less profitable as income tax equivalents paid on the basis of tax and dividend on your profitability with a 90 per cent dividend policy of return. Combine that with the fact now Hydro is being required to fund the Bass Strait Island Energy CSO at \$10 million per annum. Sarah Lovell asked a question around that issue and on Hydro's capacity - and TasNetworks', notionally as well - to fund the necessary works on dam integrity for Hydro, an upgrade that was necessary for the west coast in the Renison Bell area to manage the current load, let alone if a tin fumer goes in for the Rentails project, which I am sure you are aware of, having been previously minister for resources. This is not an increasingly profitable company, they are actually facing some headwind here. Are you confident they can manage to do what they need to do?

**Mr BARNETT** - It's a very important area that you ask about. Yes, I am confident they can continue to deliver sustainable outcomes for Tasmania.

**CHAIR** - I am talking more for their business rather than Tasmania.

**Mr BARNETT** - I know, but you have raised issues like on the west coast. They have to adapt, they have to respond to what you call good positive challenges where a tin smelter may be built and they need to upgrade the transmission system accordingly. The main point I would say in response as right up front is: this is a matter for the Treasurer.

In terms of the Budget and the finances, I can speak generally about my Energy portfolio and the GBEs. I would like Gary Swain to flesh out what we outlined before. I think Andrew Rayner spoke about the pricing regime for TasNetworks over the next four to five years; that is pretty much in place. What you are seeing in these budget papers reflects what is being set up for the pricing regime going forward for the assets under TasNetwork. On those parameters, would Gary or Andrew like to speak?

**Mr SWAIN** - I'll start and then hand to Andrew. The Government will want sustainability in the businesses, but then it does face policy choices, as we touched on earlier. If a business directly funds -

**CHAIR** - Those ones we referred to are a parameter change, not a policy choice.

**Mr SWAIN** - I was going to say whether you make an entity pay for a CSO or take a high dividend and then pay for the CSO directly, it is, in one sense, an accounting adjustment for the business.

**CHAIR** - It takes it off the general government's balance sheet and puts it on Hydro.

**Mr SWAIN** - The Government is making some policy calls too, which is to make sure that it is prioritising low prices to customers through the activities around regulation of retail functions as well as the work it is doing on the wholesale energy price. In relation to TasNetworks, that is a natural process through the AER, which will set its revenue. It is fair to say that nationally the AER has put more emphasis on customer outcomes over time in response to very strong feedback around our rising prices. I am not going to even try to talk to the Treasurer's numbers but the sustainability of the businesses is still there and I think this is also reflecting the Government's priorities.

**CHAIR** - I understand what Mr Swain is saying, minister, but the point is, and Sarah was alluding to this as well, the Treasurer made it very clear on Tuesday that to achieve his efficiency dividends he needs to make even to go anywhere near looking like having a sustainable state Budget, because the current trajectory we're on without something happening is unsustainable, if you cannot achieve that, he has a real problem.

One of the ways he has identified of addressing the revenue side is going back to the GBEs for more. Hydro has been given another \$10 million of responsibility off the general government's responsibility sheet. The profitability of both TasNetworks and Hydro is not improving, so do you believe there is any more capacity to take more out of the energy entities as the minister responsible for those to prop up the Budget? You take it off the GBE, pop it over into the whole state sector balance sheet and pop it over into the general government one, it makes it look better.

**Mr BARNETT** - I can understand where the question is coming from. It is very important as the Energy minister that I have confidence and I do have confidence.

**CHAIR** - Confidence in what?

**Mr BARNETT** - In the questions you are asking in terms of the sustainability of my GBEs -

**CHAIR** - No, I am asking you if they can provide more. The Treasurer is coming after them for more.

**Mr BARNETT** - I am trying to respond to the question. It is primarily a responsibility for the Treasurer and the Treasurer has to consider this in advance of every budget. It is true there are challenges and there will be headwinds in future. We have a half-a-billion-dollar writedown in revenues and the Treasurer made that clear on Budget day. A range of options is available to the Treasurer and the Government to balance the books and plan for the future. We have the Tasmania-First Energy Policy underpinning the TasNetworks pricing determination. There will be an average price increase for distribution customers of no more than 2 per cent.

**CHAIR** - Was it the regulator who set that or did you put another cap on it?

**Mr BARNETT** - We have a cap of no more than CPI for customers in Tasmania

**CHAIR** - That incorporates a generation as well as networking?

**Mr BARNETT** - Yes. It is over a five-year period. I will ask Mr Rayner to speak to the next five-year period for TasNetworks, but that is more of a GBE question. An overarching policy and pricing network review has taken place. That is going for the next five years.

**Mr RAYNER** - I am mindful we are in Treasury's portfolio area but I draw your attention to the notes on table 5.9 on pages 114-15 of the budget papers, where the parameter adjustments are explained in a bit more detail. You might see that note 6 indicates that the decline in the returns from TasNetworks reflects the expected decrease in regulated revenue foreshadowed in the Australian Energy Regulator's draft transmission and determination.

**CHAIR** - That is why it is a parameter change.

**Mr RAYNER** - That is exactly right.

**CHAIR** - It is not a policy.

**Mr RAYNER** - That determination period is for the five years from 2019-24. The determination process was reaching its final stages of conclusion at the same time the budget was being developed. The estimates included are based on where that determination was headed. It does come to the determination of the Australian Energy Regulator as to what it was doing over the five -year period.

**CHAIR** - As you said, minister, the AER is taking a different approach, with a greater focus on customers. A few years back, you remember, before you were in government, there was criticism of gold-plated infrastructure. A lot of discontent was expressed by major industries in the state, and rightly so in most regards, I would suggest. The AER took a more proactive approach to pulling them back in how much they could spend on their regulated asset base. That is where we got to. Unless you have some indication the AER is going to soften that approach, this situation is going to continue, isn't it?

**Mr BARNETT** - I think Mr Rayner has outlined where we are headed for the next five years. It is an AER arrangement. We have to abide by that and certain rules apply.

**CHAIR** - Even within that, you still have the capacity to say that the AER give a range that our state-owned company that operates for our benefit, and the taxpayers of Tasmania's benefit, in which they can impose their pricing, their networking charges. You have the capacity to say this is the range and they can't charge over the top of the range. Would you consider exerting that power to bring the prices down? You have some mechanisms available to you.

**Mr BARNETT** - The Treasurer has specific roles and responsibilities and we are crossing over to the Treasurer's portfolio.

**CHAIR** - You are the Energy minister.

**Mr BARNETT** - I know. I am confident of the sustainability and profitability. In terms of what happens every year and which budget over the next four years is a matter for the Treasurer, in consultation with his Cabinet colleagues, including me as Energy minister. I cannot speak for the Treasurer. We are in a difficult area here.

**CHAIR** - Minister for Energy, do you believe the GBEs which you are responsible for and you are the shareholder minister for have the capacity to pay more dividends above their 90 per cent policy or extra special dividends? Do you believe they have that capacity?

**Mr BARNETT** - I am absolutely confident and sure they will have the capacity to continue to operate in a sustainable and profitable manner.

**CHAIR** - That is not answering the question. The question was: do they have any extra capacity to pay additional dividends or returns to Government?

**Mr BARNETT** - However you are expressing the question, that decision will be a matter for the Treasurer and Cabinet colleagues in advance of future budgets. I cannot pre-empt what will occur in the future. What I can be confident about is they will be able to operate in a sustainable and profitable manner, where we want to be and why I am pleased to be leading as the Minister for



Energy. Any of those decisions will be made with Treasurer obviously in due course and with my Cabinet colleagues.

**CHAIR** - Minister, when you obviously have had a discussion with your other shareholder minister, the Treasurer: will you be expressing any concerns about the GBEs you are responsible for, Aurora included, particularly TasNetworks and Hydro, about their capacity to pay extra dividends? That is what he is looking at and told us on Monday. He is looking at more money out of the GBEs to fix the black hole in the Budget.

Will you be expressing any concerns about taking additional revenues out of the Energy GBEs?

**Mr BARNETT** - I will continue to work in a very cooperative and positive way with the Treasurer, as I have done in the past to ensure the interests of Tasmania are best protected and supported.

**Mr VALENTINE** - Do you see the capacity of the GBEs you are a shareholder of improving with the Marinus Project?

**Mr BARNETT** - Project Marinus will offer a whole range of opportunities for Tasmania, both in the private sector and obviously for GBEs, but specifically Hydro Tasmania vis-a-vis pumped hydro. We have already entered an understanding with the federal government with Underwriting New Generation Investments. We have every expectation this will lead to a memorandum of understanding and an agreement that will give significant opportunities to lock in long-term revenue benefits for Hydro Tasmania and terrific opportunities with that agreement, on relevant terms and conditions. Hydro Tasmania is currently progressing those discussions with the federal government in the weeks and months ahead. I would like to think that is progressing positively. Yes, it will absolutely deliver benefits for Hydro Tasmania in the years ahead, subject to the relevant terms and conditions being put in place - they build the pumped hydro power station, use the water again and again for the benefit of Tasmania.

**Mr VALENTINE** - On the capacity for third party retailers to exist in the state and in fact I was travelling behind a bus the other day advertising one. How do you see that impacting on the capacity for the GBEs to actually provide dividends back to Government? Do you think that will be impacted in any way? Hydro is a generator and that is well before any retailing happens. Is there any impact on the capacity for GBEs to provide dividends because there are third party players in the market?

**Mr BARNETT** - It has been topical lately. 1st Energy has come into the market and is providing competition in Tasmania. We welcome it, it's healthy. This is good for Tasmania, and Tasmanian consumers. Why shouldn't they have a choice? The Hodgman Liberal Government supports that. 1st Energy has come into the marketplace, we say welcome. We encourage Tasmanians to check terms and conditions carefully, as any consumer should do so. Likewise, Catch Energy joined the market here in partnership with 1st Energy in recent weeks.

We have confidence Aurora Energy will remain sustainable. I have ongoing consultation with the Aurora Energy chair, board members and CEO. It is a competitive market and it will be tough. There are headwinds with more competition but I have to act for and on behalf of the Tasmanian people as an energy stakeholder minister wanting to ensure a sustainable and profitable Aurora Energy.

**Mr VALENTINE** - Are third party providers and that competition going to be the thing that drives prices down more than anything else you can do?

**Mr BARNETT** - Competition is healthy. It's a good thing.

**Mr VALENTINE** - The Chair's question was about how lower prices are going to be delivered? Is it going to be third party providers to cause that to happen rather than anything you or your GBEs can do?

**Mr BARNETT** - The energy market is very broad and complex. Competition is part of the retail arm of it. Generation, transmission and distribution and retail make up the cost of your energy. I am keen to encourage consumer empowerment, so that they know what's best for them and have that opportunity to see what price they have and when it's coming in. They want to be clever about how and when they use it. You made a point earlier about using your car for charging at a certain time of day to ensure the best outcome for the customer. I've had those discussions with Aurora Energy but competition enhances that opportunity for consumer empowerment and we want to go down that track. That's the direction we are heading and it's all good for Tasmania.

**Mr SWAIN** - I haven't looked at this for a few years but it used to be the case that the retail function was about 8 per cent of delivered energy prices. Sometimes, retail competition can deliver some price benefit and benefit in terms of innovation, product offering and service standard. When I last looked it was only 8 per cent but it also changes the dynamic of the market because those retailers are coming back to generators looking for a better deal than their competitors, which puts some tension into the competitive discussion.

**Mr VALENTINE** - Is it true competition in the levers the Government can pull in how those third party providers purchase their electricity, especially from Tasmania? Can that be manipulated to benefit us? Is it true competition?

**Mr SWAIN** - There is a means and ends element to that question. In some of the national policy debates there has been a lot of focus on competition as an end, whereas the Government's policy position is more about it being a means to an end because the end is the price consumers face and the prices in Tasmania are already good and improving.

**Mr VALENTINE** - In decoupling the pricing from the National Electricity Market, do third party providers that operate within the national energy market find are they disadvantaged?

**Mr SWAIN** - No, the wholesale energy pricing work done by Treasury will be non-discriminatory in that it will affect all retailers equally.

**Ms LOVELL** - You said that as shareholder minister you are regularly briefed by the GBEs. Can you outline for the committee what you have been advised about the wages policy for the three energy businesses?

**Mr BARNETT** - They operate as GBEs. We have advised them of the Government's wages policy, which you are fully aware of, and the Treasurer's made clear in recent weeks and months. They are to be cognisant of that but they are independent GBEs and that is a matter for the GBEs. We will have GBE scrutiny later in the year, you can ask them about that directly or we can obtain more information. They have to operate in a sustainable and profitable way, which is what they have been doing and we hope they will continue to do.

**Ms LOVELL** - Are you aware of any policy they hold, any agreements they have reached or offers that have been made around wages?

**Mr BARNETT** - I won't go into the details today with respect to either of those entities. That is a matter for the GBEs.

**Ms LOVELL** - No, without going into any detail, are you aware of any?

**Mr BARNETT** - I don't think I can disclose that type of information at this committee, it really is a matter for GBEs.

**CHAIR** - With regard to the ongoing capping of prices for regulated customers, can you give us the final figure for last financial year for the revenue forgone to Hydro Tasmania and the projected figure for this year, including any impact of the ongoing price cap and what the actual revenue forgone is expected to be this year?

**Mr BARNETT** - You have asked a question that is directly relevant the Treasurer.

**CHAIR** - How is it that everything related to the energy entities is a matter for the Treasurer?

**Mr BARNETT** - Can you repeat the question?

**CHAIR** - We have asked this before, minister, each year.

**Mr BARNETT** - I am happy to try to assist, but -

**CHAIR** - I want to know what the revenue forgone to Hydro Tasmania is as a result of the ongoing capping of price for regulated customers, the final figure for last year and the projected figure for this year.

**Mr BARNETT** - We provided that information in Estimates last year, it was \$40 million in terms of the Treasury advice. The advice was that it was expected to be around \$40 million in 2018-19, as provided to Estimates last year. That is the advice I have.

**CHAIR** - What was the actual?

**Mr BARNETT** - That is the advice I have from Treasury. I don't have any updated information from Treasury.

**CHAIR** - Can you get the actual? Last year, we were given a \$70 million figure for 2017-18. As you said the projected figure was \$40 million for 2018-19. I would like to have the actual from last year and the projected for this year.

**Mr BARNETT** - It is primarily for the Treasury but I am happy to take it on notice and come back to you.

**CHAIR** - It may be the same case with this next one.

## UNCORRECTED PROOF ISSUE

**Mr SWAIN** - Under the Electricity Supply Industry (Miscellaneous Amendments) Act, pricing matters are explicitly the responsibility of the Treasurer. In terms of your comment about -

**CHAIR** - It goes to the point, minister, of the additional revenue forgone to Hydro, which puts further downward pressure on their profitability. It's just money they don't have because of this policy decision -

**Mr BARNETT** - Yes.

**CHAIR** - Which was a Treasury policy decision, too. No, actually it wasn't, it was a whole-of-government thing, really, about trying to keep prices down for retail customers.

**Mr BARNETT** - Yes.

**CHAIR** - The other one, the \$5.5 million for energy rebates for business, how many businesses were assisted through last year's rebate system that came out of contract during the period, and what was the total cost provided in the rebate to Aurora and ERM, the other provider?

**Mr BARNETT** - Can I come to that and just to recap on the question you asked about 2018-19? Of course we're not quite through to 30 June -

**CHAIR** - Yes, the projected figure for 2018-19, I said. The actual for the year before.

**Mr BARNETT** - No, not a problem, and we'll take that on board. I'm just saying that we're not quite to 30 June yet; we're in early June. I'll get you what I can and respond to the committee accordingly.

The CNI - let's go through that. In 2018-19 the \$10 million for commercial and industrial energy rebate was \$10 million; that was allocated to extend the energy rebate scheme to help cushion large business customers from increases in the wholesale electricity prices. Treasury entered into grant deeds with both Aurora Energy and ERM Power, as you've referred to, Chair, to guide the delivery of the scheme together with their carried forward for 2017-18. There was a total of \$16.4 million available for payment of rebates in 2018-19. Then the funds paid to date under the scheme for 2018-19 totalled \$11.8 million. The \$5.5 million that's been allocated is obviously for the 2019-20 year. That's what I can advise. The 2019-20 allocation is approximately 50 per cent of the support provided in the previous year, with the scheme to conclude in 2021 due to the expectation of lower wholesale energy prices. It depends on the wholesale energy price. I'll see if Gary Swain wanted to add to that, and then we can -

**CHAIR** - You'd expect most of these businesses to be back in contract by now, wouldn't you though, too?

**Mr BARNETT** - Well, that's right -

**CHAIR** - That's why it's winding down.

**Mr BARNETT** - Yes, three-year contracts. Some of them started two years ago and some of them three years ago. You're right, certainly the expectation is that the wholesale energy prices will be a bit lower by next year. Gary, did you have anything to add to that?

**Mr SWAIN** - It's my understanding that this is a transitional policy dealing with a shock to the market with Hazelwood Power Station's retirement and changing contract prices, and it was to sort of smooth through a transition which is now working its way out of the market.

**CHAIR** - Some people fell out of contract in that period, was that the problem?

**Mr SWAIN** - Yes, people had made decisions based on a market that was set here at about the level of exposure they'd have to the market, and then there was a significant change that was not anticipated.

**Mr BARNETT** - Yes. Can I just make a point? This is all part of our Tasmania-First Energy policy to keep downward pressure on power prices, by 2022, it'll be the lowest in Australia regulated for residential and business. In the meantime, we've had this cap at CPI for our regulated customers, but we needed something for unregulated customers; hence the commercial and industrial. We put that in place in 2018-19, and then 2019-20. We've tried to be cognisant of having downward pressure on prices. As a result of tying into mainland prices they've been going up, up, up and have been very volatile as well in Victoria over the past years.

**CHAIR** - I thought the volatility in Victoria had settled.

**Mr BARNETT** - It has settled, but over the summer that definitely went up and spiked significantly, and then they've dropped back down again. They're still volatile, and we need to be cognisant of Tasmanian customers. That's what we did as a government, and I'm very thankful that the Treasurer agreed to that policy and that we've implemented that to help our medium-sized businesses and commercial and industrial customers. That started in 2017-18 and 2018-19, and then continues in 2019-20.

**CHAIR** - Again, this is an area that's partly run by Treasury. They seem to be all over your portfolio; fingers in everything. We'll go to the solar feeding tariff. I understand the Treasurer is responsible for the review of that and a determination has come back from the regulator suggesting a small increase. As Minister for Energy, what are your views on the increase of nine cents proposed as the feed-in tariff and whether there will be a cost to TasNetworks associated with that and what the cost is?

**Mr BARNETT** - This was an election policy committed to and implemented. We did promise to have a review and this has been undertaken. There was consultation in the community, Mr Swain was part of an interdepartmental committee that reviewed the submissions and papers that came in. I will ask Mr Swain to speak to the review process. It delivered a report and recommendations, which is very important. We had the feedback with different views arguing for and against. Based on that report and recommendations, the Government took a position to provide an additional five cents per kilowatt hour on top of the regulated feed-in tariff rate for one year - 1 January 2019 to 31 December 2019 - as a transitional arrangement, bearing in mind the previous Labor-Green government decided in 2013 that is the end of that particular solar feed-in tariff and that ended 31 December last year. We have continued the five cents for a transitional arrangement for 12 months and by January 2020, all solar customers will then be on the rate set by the regulator removing that current two-tiered arrangement to provide a fair and equitable scheme for all Tasmanians.

Mr Swain went through the process.

**CHAIR** - Before you go to Mr Swain, can we have your view on arriving at nine cents?

**Mr BARNETT** - That is a matter for the economic regulator.

**CHAIR** - I am asking what your view is.

**Mr BARNETT** - It is a decision made by independent, objective experts.

**CHAIR** - You believe it is fair?

**Mr BARNETT** - I accept the decision of the independent, objective experts.

**CHAIR** - So you believe it is a good outcome?

**Mr BARNETT** - I accept the decision of the independent, objective experts.

**Mr SWAIN** - When we went through the consultation process a couple of issues came out. One was equity, because there were the two rates that had applied, the other was the knowledge out in the market about the likely timing of the step-down from the historical high tariff. The equity consideration came through quite strongly. There were, not surprisingly, mixed views on the step-down.

**CHAIR** - It actually got quite heated at times with the energy in the room.

**Mr SWAIN** - It would be fair to say, notwithstanding there had been a very identifiable trail of information publicly available about when that step-down was expected to occur. Some people still expressed they had not seen or understood that was coming. This really informed the policy advice to the Government about this transitional arrangement for the five cents.

**Mr VALENTINE** - Which entity pays that tariff?

**Mr SWAIN** - Five cents?

**Mr VALENTINE** - Yes.

**Mr SWAIN** - That is funded by TasNetworks.

**CHAIR** - Revenue foregone.

**Mr VALENTINE** - I wondered was there capacity for the third-party providers- the energy retailers to offer some feedback but that is not the case.

**Mr SWAIN** - No. It is a TasNetworks issue and they were originally absorbing the costs for the previous program.

**Mr BARNETT** - It has gone down for TasNetworks.

**CHAIR** - How many people were on the old grandfathered arrangements and how many people were actually engaging in the six or seven cents feed-in tariff?

**Mr BARNETT** - I am sure we have those numbers for you; if not, we can get them.

**Mr SWAIN** - My recollection is 13 000 but I would have to check.

**CHAIR** - That's total?

**Mr SWAIN** - Yes.

**CHAIR** - Total and a breakdown.

**Mr SWAIN** - We have those numbers and it was in the public documentation, so no problem in getting them.

**CHAIR** - If you can try to have this to us before the end of the day it would be helpful. I am interested to know whether there will be a net increase burden to TasNetworks because of the changes with some going up and some going down.

**Mr BARNETT** - No. There will be a reduction because they have been covering the historically high rate since 2013.

**CHAIR** - Yes, but if there is only a small number of those, for argument's sake, 500 of those people and 10 000 of the ones on the lower tariffs, they are going to go up. They are going to go up by 3 or 4 cents, whatever it is.

**Mr BARNETT** - Yes. We will get the figures for you and we will do it as soon as possible. We're more than happy to provide that.

**CHAIR** - And an indication of the revenue forgone as a result of the current arrangements and the new arrangements projected.

**Mr BARNETT** - We will get those figures for you and respond accordingly. I should add, we have been very cognisant of the cost of electricity, residential and small business, the cost of doing business.

That is why we started the Tasmanian Energy Efficiency Loans Scheme - \$35 million and 4000 applications. Four thousand recipients have benefited from that scheme, with the no-interest loan scheme, for energy-saving appliances. I just wanted to put that on the record.

**CHAIR** - Do you have a breakdown of where those applicants come from around the state? What geographic location?

**Mr BARNETT** - Certainly from across the state.

**CHAIR** - Do you have numbers?

**Mr BARNETT** - I am not sure about the geography. We can certainly fill you in on the \$35 million and give you a bit more detail. We don't have any geographic records, but we have records on what it was spent on, like solar panels, or energy efficiency measures in the home, hot water cylinders and the like, the \$35 million and over what period of time.

**CHAIR** - The reason I ask is that low socioeconomic families, people who live in those communities, have less capacity even to fork out the money to pay for the infrastructure.

They can take out a loan and there is no interest, but to actually get out there and apply for a loan to do it is sometimes challenging for them. It would be interesting if you can drill down into that level of detail. If you can't, I understand that, but I would be interested to know if some of these communities are being helped through this, particularly the lower income earners in Tasmania.

**Mr BARNETT** - We are very cognisant of lower income earners in Tasmania across the table. TasCOSS is fully aware of the \$45 million in concessions we provide to approximately 90 000 vulnerable Tasmanians, those on a pension or Health Care Card. The average support for those customers is some \$500 a year in reduction in their energy bills.

I can flesh that out further if you would like, but we are very cognisant of those doing it tough, vulnerable Tasmanians. We have the NILS program as well, which is a \$1 million investment over the next four years, which is an energy saving loan scheme, and subsidy scheme to support particularly those from a low socioeconomic background, to access energy saving appliances.

**Mr VALENTINE** - Can I ask a fundamental question here? If I purchase electricity from one of those third-party providers, does that prevent me from getting the feed-in tariff, if I have solar panels on my roof?

**Mr BARNETT** - No, not at all.

**CHAIR** - It's TasNetworks.

**Mr VALENTINE** - I realise it is TasNetworks. I guess what I am trying to get at is, are we talking about a level playing field with competition? In actual fact it's not, is it? At the end of the day, those third-party providers can't offer a competitive feed-in tariff back, can they?

**Mr BARNETT** - They absolutely can and they do. If they have customers, they can have that 5-cent support. Sue, do you want to add to that?

**Ms MORRISON** - I believe First Energy do offer an additional feed-in tariff over and above the regulated rate; that is part of their product offering.

Their offering is, you either get a 5 per cent early payment discount or you can get 5 cents per kilowatt hour bonus feed-in tariff above the regulated rate.

**Mr BARNETT** - I should add to that they also offer concessions. I mentioned the concessions to the 90 000 Tasmanians. That is part of their offering. That is part of the government policy across the retailers.

**Mr VALENTINE** - Does the power fed back in under that scenario become their power?

**Ms MORRISON** - The additional amount?

**Mr VALENTINE** - Yes, if they are receiving 19 kilowatts hours back off solar panels from some particular address, do they get to use those 19-kilowatt hours in their redistribution?



**Ms MORRISON** - The electrons do not work that way; this is a market offering they are using to try have additional customers.

**Mr VALENTINE** - They could resell that back onto houses on the mainland, wherever their customers are.

**Ms MORRISON** - It would net off their generation they purchase, it is not something they could direct somewhere.

**Mr VALENTINE** - They could - at their loss offer - a 25 cent per kilowatt hour feed-in tariff if they wanted.

**Ms MORRISON** - They could offer whatever additional tariff they want.

**Mr VALENTINE** - Not likely to be economical for them. I wanted to clarify that. I must say I am in receipt of the little extra because I came in under that scheme and I declare that interest. The question is there for all.

**CHAIR** - Minister, with the capacity for more people to go off the grid as we are seeing in urban and country areas, there has been a suggestion that people not connected will be required to pay a service fee even if the power goes past their property as in the TasWater arrangement. Is there a plan to introduce such a model or is it going to be you only pay if connected?

**Mr BARNETT** - We have an energy system in place in Tasmania which allows for off-grid. It does occur in different parts of Tasmania, particularly in more rural and remote areas, but does happen in suburban areas. I might ask Sue to speak on the legal frame work on this.

**CHAIR** - It is a policy position as much as anything. Is a policy being considered to require people to pay a service fee whether they are connected to the grid?

**Mr BARNETT** - I might ask Sue to outline the current arrangement, then I will respond to the question.

**Ms MORRISON** - The electricity charging sales supply and distribution on electricity is governed under the Australian Energy Market Agreement. The states participating in the AEMA have agreed they will adopt a national regulatory framework so this is the National Electricity Law and Rules, National Gas Law and Rules and the National Energy Retail Law and Rules. They are all acts of the South Australian Parliament, which Tasmania, along with all of the other AEMA participating jurisdictions, has adopted as the law to now apply.

Part of the Australian Energy Market Agreement is an obligation for any jurisdiction who seeks to amend their local electricity market regulations or legislation to change or diverge from that national agreement to have a discussion with all the other participating jurisdiction and in an agreement endorsed by all other AEMA jurisdictions. The issue of increasing movement away from the grid, the expansion of distributed energy resources, the nature of the way the network is transforming is under active consideration.

## UNCORRECTED PROOF ISSUE

Energy Networks Australia is working on its grid transformation road map so the issue of how to manage this is being considered. I am not aware of any proposals within that national framework to have a charging regime not related to the direct supply distribution of electricity.

**CHAIR** - To clarify: at this stage the law would not provide for that?

**Ms MORRISON** - That is right

**CHAIR** - I understand the process of changing national law and I won't be here by the time that ever happens. To reach agreement across all areas. It is the same with the regulations. It was a problem with national law, and it's not only energy. At this stage, there is no provision for it under the national rules.

**Ms MORRISON** - No.

**Mr BARNETT** - Sue made the point that we discuss these things from time to time at the COAG Energy Council. It is transitioning because a lot of things are happening at a federal level and in the COAG Energy Council. I'm not aware of any specific changes coming to the next COAG Energy Council meeting scheduled in the second half of this year or whenever it's to be held. We will be alert to this. I feel supported as minister and we will always do what is best for Tasmania.

**CHAIR** - Thank you, minister. Basslink is out again but not because the cables have had a major issue. There is a problem at George Town. How long do you expect it to be down? Are government representatives still fighting with Basslink in court over last outage? Are there ongoing concerns about the reliability of Basslink?

**Mr BARNETT** - With regard to the more recent outage, yes, that's come back online, as you are probably aware -

**CHAIR** - No, I didn't see that this morning.

**Mr BARNETT** - At 9 o'clock the night before last, we were advised and Hydro advised the public accordingly through the normal mechanisms. There was an electrical fault at the converter station at George Town and that has been remedied. Outages occur from time to time, it is not uncommon. It provides further support and underpins our efforts toward a second interconnector for Marinus Link. Is there anything more on Basslink?

**CHAIR** - Are you concerned about the long-term reliability of it?

**Mr BARNETT** - I will finish off on the outage. It is currently at 500 megawatt capacity. It is a very important part of our energy structure -

**Mr VALENTINE** - I thought it was six.

**Mr BARNETT** - It has been operating at 500 megawatts since the outage of 2015-16. That is on agreed terms with Hydro Tasmania. That is still operating and is a very important part of our energy mix. Energy security has not been compromised. We are very confident of our energy security because we have implemented the Energy Security Taskforce implementations. We have legislated that. We have back-up support in the Tamar Valley Power Station and we have gas. It is a key ingredient for business and residential operators and people in Tasmania.

We have dam levels where they should be and that is covered in the taskforce report recommendations and legislated. That is monitored carefully by my office, the department and Hydro Tasmania. We have all those things in place and energy security is not at risk, to assure Tasmanians and others. Addressing your question about the dispute -

**CHAIR** - Disputes, not only one, they have several -

**Mr BARNETT** - In terms of the dispute over the initial break occurring 20 December 2015 and concluding 20 June 2016, it was a significant concern. That is in arbitration.

**CHAIR** - Is that still in arbitration?

**Mr BARNETT** - Yes, absolutely, and could continue for some time. I can't speak about that, nor can other members of the department because there are legal matters before us. I will check with Mr Swain to see if he has anything to add.

**Mr SWAIN** - With a cautionary note, the parent of one of the parties in dispute is a listed entity, so there are market sensitivities there.

**CHAIR** - Yes, I'm not asking any details, I want to know if it's still going on.

**Mr SWAIN** - It is ongoing; as the minister identified, the link has been operating at 500 megawatts, not its dynamic rating of 630 megawatts. It's about the important discussion between Hydro, the state and BPL. It's about the ongoing operation of Basslink over the balance of the contractual arrangements with Hydro, which go out to 2031. The arbitration is a mechanism to have a broader conversation and that conversation is ongoing.

**CHAIR** - The question is of ongoing confidence in the reliability of it, minister. Do you have a view on that?

**Mr BARNETT** - I'm very confident in our energy security in Tasmania. I'm also confident both the department and Hydro Tasmania are monitoring this carefully, ensuring energy security will not be compromised. That is a key ingredient to the future of Tasmania.

**CHAIR** - The energy security is not only about Basslink, it's about the Tamar Valley Power Station, dam levels and a range of things. I'm particularly asking about Basslink, the cable itself and the ends, where it comes out, do you have confidence in its ongoing reliability? The contractual arrangements could change during the arbitration process but if they don't, we have a lot of time left ahead of us with a cable that I'm concerned about the ongoing reliability of.

**Mr BARNETT** - I want to ensure we do everything we possibly can to lock in energy security and ensure that will not be compromised. Basslink is a key part of our energy infrastructure in Tasmania. In the medium and long term, as Gary indicated, through to 2031, we want to ensure the terms and conditions of use are appropriate and will support Tasmania financially -

**CHAIR** - In a reliability sense, minister?

**Mr BARNETT** - That's my point; not only in a financial sense but in terms of reliability. Those terms and conditions are very important and Hydro Tasmania and the state Government are cognisant of that and we treat it as a top priority.

**CHAIR** - Can you provide details of the numbers of outages over the last year and the length of those outages, except for the very short outages?

**Mr BARNETT** - I'll check the number of outages. We are happy to take that on notice. It's not uncommon, outages occur.

**CHAIR** - I'm acknowledging that.

**Mr BARNETT** - They have outages during regular maintenance and upgrades. We can obtain that information for the committee.

**Ms MORRISON** - Over what period?

**CHAIR** - The last 12 months.

**Mr BARNETT** - I have an answer to your earlier question on solar installations. At the end of June 2018, there were 29 273 solar installations. Of these, 16 424 were on the transitional rate.

**CHAIR** - The majority, so there should be a net gain.

**Mr BARNETT** - That's my point about TasNetworks.

**CHAIR** - That was to work out whether there was a net gain or a loss to TasNetworks.

**Mr BARNETT** - Yes, more than half and the transitional rates reduce to 5 cents from the much higher rate. That will be a definite benefit for TasNetworks.

**CHAIR** - Our absent member sent a question. I will read what he has written, I am not posing the question myself. He says -

At home, my wife keeps a close eye on my credit card usage. If a credit card bill reaches \$14 000, I would be in trouble. How are credit card bills monitored and managed in your department, Minister?

He understands there was a reference to a \$14 000 bill incurred by your chief of staff.

**Mr BARNETT** - This goes to the use of credit cards in the office. Use of credit cards expenditure relates primarily to booking travel and accommodation for both myself and my staff for attending ministerial meetings. This can include interstate and intrastate travel and accommodation. It also includes accommodation expenses for northern-based staff in Hobart on parliamentary sitting weeks. Ministerial officers can book travel and accommodation either on their chief of staff credit card or through a travel agency.

My office usually books these expenses using the credit card. These are not additional or unusual expenses; they are the ordinary business of being a minister and the travel associated with it. The Government discloses its expenditure both for travel and credit card expenses on a regular

basis, unlike previous governments. That information is published online at the DPAC website. In relation to my travel expenses during the last 12 months, I have had a number of ministerial commitments interstate, and I can give you a sample of those if you are interested.

There is a whole range of COAG meetings, building ministers' meetings, resource ministers' meetings, energy and federal ministers' meetings and so on. I am happy to flesh those out for the committee if you are interested, as a sample.

**CHAIR** - I would ask an overarching question. I don't think that answer is going to help the member for Rosevears at home; I'll leave him to deal with his wife on that matter. I am interested in the total cost of travel, not just the credit card you have referred to, but the total cost of travel, the total cost of consultants and total cost of advertising for your energy policy and advice responsibilities.

**Mr BARNETT** - For the Department of State Growth?

**CHAIR** - It is in State Growth, yes, but specifically related to this area.

**Mr BARNETT** - I am happy to assist. I will check whether Gary has anything there to assist the Chair.

**Mr SWAIN** - I have only department-level information so we would have to put something together.

**CHAIR** - Are you able to break that down?

**Mr SWAIN** - I think so, yes.

**Mr BARNETT** - Just to be clear what the question is. I am trying to assist the committee.

**CHAIR** - The total cost of travel under this line item, the total cost of consultants under this line item and the total cost of any advertising under this line item.

**Mr BARNETT** - What is the line item?

**CHAIR** - It's 3.1 Energy policy and advice in State Growth.

**Mr SWAIN** - My only comment is that there is a significant increase in expenditure planned for the following two years because of the additional resources that we are putting in for the Marinus Project and Battery of the Nation, which Andrew will be heading up. We are quite happy to provide that information, but it may be significantly different next year.

**CHAIR** - We might want to put that caveat in the answer you provide to the committee.

**Mr SWAIN** - We know from the budget papers we are going from circa \$3 million expenditure in this area to about \$6 million.

**CHAIR** - In responding to that question, are you aware whether there are many consultants' costs in this area?

**Mr SWAIN** - It would be very small in the scheme of the department for this year because we did a bit through feed-in tariffs. There is not much else we have done this year. Looking forward we would expect to have some additional consultancy in support of the minister for the Tasmania-First Energy Plan and also in relation to the work on the Battery of the Nation and Project Marinus, specifically the complex pricing and structural issues that will come out of those very large projects.

**CHAIR** - If, when you pull the information out, there is a not insignificant number, could you identify what that is for? That might avoid us needing to come back and keeping the line item open to ask at a later time. Also, is much advertising done in this department?

**Ms MORRISON** - Under this line item?

**Mr SWAIN** - No. This will be very small.

**CHAIR** - This is where the minister is also gazing, he is going to raid the GBEs - probably yours, minister, because they are the ones that notionally get hit first, except for the financial ones that are getting their turn - and also looking at travel and consultancies and things like that. You are not the only ones getting the question, rest assured.

**Ms MORRISON** - We try to keep a pretty tight lid on it anyway.

**CHAIR** - Yes, I'm sure.

**Mr BARNETT** - On TEELS, the applications and the requested items, I'll give you a quick summary: solar panels, 26 per cent; reverse-cycle heating and cooling, 18 per cent; double and triple glazing, 14 per cent; hot water systems, 11 per cent; ceiling and floor insulation, 11 per cent; battery storage, 10 per cent; curtains and blinds, 9 per cent. That was a very significant investment. I'll just check here if there's anything else we can add.

Residential customers dominated the scheme uptake with 94 per cent of the applications sent to Westpac. Customer daily applications averaged 11.4 for the duration of the scheme. Daily applications averaged 15.5 during April 2019 attributed to publicity around the closure. Average loan request amounts within the small scheme were 8291 for residential and 8980 for business. There's a short summary regarding the TEELS program.

**CHAIR** - Okay, thank you.

**Mr BARNETT** - I should also mention TEELS was recognised as one of the best energy efficiency loan programs in Australia by Energy Consumers Australia. I'm very pleased to have that acknowledgment.

**CHAIR** - I don't have any questions. It's a good idea, minister. I just hope it's getting across the broader community and assisting some of those who are less able to improve the energy efficiency of their own homes, or the ones they're renting, which is often the case if they can get a rental.

Minister, we've only got a couple of minutes left and I have another question. You might recall that last year I gave you the award for the most meaningless set of key performance indicators. I note they are still the same. However, this year you don't win the award because there are even

more meaningless ones in the output of the Coordinator-General. Unfortunately you get second place. Are we going to look at some more meaningful KPIs? The Treasurer did suggest he might.

**Mr BARNETT** - Thank you for the question. Gary has a response.

**CHAIR** - Does he?

**Mr SWAIN** - I do.

**CHAIR** - You do? Good.

**Mr SWAIN** - In fact, this year I was hoping you might be in another committee because off the back of your questions in infrastructure we have done a very significant body of work on performance indicators across the whole of the transport group.

**CHAIR** - You missed this one. Anyway, you're still working on it obviously?

**Mr SWAIN** - No. Seriously, some really good work has happened at the national level around the National Energy Strategy that has a very straightforward format. It has five objectives, some enabling priority actions and then a set of specific performance measures in relation to those actions under those five objectives. What we would like to do over the next 12 months is, in the context of developing the Tasmania-First Energy Plan, look at that general framework to see whether we can apply it in Tasmania, because we think it's a really neat framework. It brings with it some performance metrics and makes that a front-end component of that piece of work. For other components in the First Energy Plan, we obviously have to look at the evolving market development aspects - that is, Marinus and Battery of the Nation - and then there will be a market management element to the plan, which is all of the stuff that needs to happen to keep the market operating. We are looking at whether we can use this national strategy as a template for the front end of that piece of work because it has some nice, tight performance indicators.

**Mr BARNETT** - And this time next year, we'll be -

**CHAIR** - Well, minister, yes - you might get a gold star.

**Mr BARNETT** - I'll get a gold star.

**CHAIR** - You might. Anyway, it is nice to hear my comments are taken seriously even though they were a little light-hearted at the time. This is something I've been on about for years - about outcomes-based key performance indicators that actually mean something.

Second place this year for the worst one; hopefully first place for the best one next year. I am disappointed I'm not on the Infrastructure committee as well, but we couldn't get all of them over there.

**Mr VALENTINE** - I've one that will complete tomorrow.

**CHAIR** - We've enough, yes. I would have liked to be on Infrastructure. I could have swapped something else out.

**Mr VALENTINE** - I've got one that will compete tomorrow for performance indicators.

**CHAIR** - We'll see, we'll see. As we've nearly used up our allocation of time, do any other members have any other questions? No? Did you want to make any closing comments, minister?

**Mr BARNETT** - Yes, thanks very much, Chair. I close by saying yes, we have a very heavy and full agenda in the next year and in the years ahead under our Battery of the Nation and Tasmania First Energy Policy.

We are excited about that. The key performance indicator is low-cost reliable clean power. We are leading the country. We have what the rest of the nation wants and needs.

**Mr VALENTINE** - Good on Eric Reece.

**Mr BARNETT** - Yes. I am grateful and feel as though I am standing on the shoulders of Eric Reece and Robin Gray for the wonderful work they did in building our energy infrastructure around this state, and our 30 power stations.

We are also cognisant under our Tassie First Energy Policy to care for those in need, hence our concession system accordingly.

Overall, we have a heavy workload.

Finally, I want to put on record a big, big thank you to the department and obviously the GBEs, but specifically today to Kim Evans, who is not here at the moment, and Gary, Sue, Andrew and the whole team.

I feel well supported and suspect that support will grow in significance, particularly to implement our very ambitious plans for Tasmania under our Tasmania-First Energy Policy.

Thanks, Chair.

**The committee suspended from 12.01 p.m.**

## **DIVISION 10**

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

**CHAIR** - Thank you, minister, and welcome back. We are on to primary industries and responsibilities. Could you introduce the other gentleman at the table, please?

**Mr BARNETT** - Yes, thank you, Chair. Dr John Whittington, Secretary of the Department of Primary Industries, Parks, Water and Environment.

**CHAIR** - Would you like to make some opening comments in relation to this portfolio area?

**Mr BARNETT** - It is a great opportunity to be here to provide more detail on this very important primary industries and water portfolio. The Budget continues to deliver on our Agri-Food Plan for 2018-23, a comprehensive framework for growing strong and sustainable agricultural and seafood industries, supporting our farmers, fishers, rural communities directly in this Budget -



## UNCORRECTED PROOF ISSUE

\$100 million is being invested in this year's Budget to continue a range of initiatives to help achieve our target to grow the farmgate value to \$10 billion by 2050.

According to the latest data, the value of Tasmania's agricultural productions increased by 9 per cent from 2017-18, really good news, to just over \$1.6 billion and keeps us on track.

We have \$16 million in our budget to support industry development across all key agricultural sectors -

- Rural Financial Counselling Service
- Farm Business Mentoring
- Blundstone Scholarships
- Tasmanian Women in Agriculture
- Rural Youth Tasmania Leadership Program
- TFGA Living Next Door to a Farmer Program
- Agrigrowth Liaison Officers
- FarmPoint website and help line - a one-stop shop.

This also includes additional funding for Tasmanian Institute of Agriculture for the Agricultural Innovation Fund. Other initiatives include, for example -

- The Pipeline to Prosperity Tranche 3 Irrigation Scheme with \$70 million in addition to the Commonwealth's \$100 million, enabling the first phase of at least five irrigation projects to proceed. Tasmanian Irrigation continues with the planning for other proposed schemes. I made the announcement yesterday in the Northern Midlands.
- Continuing our very popular On-farm Energy and Irrigation Audit and Capital Grant Program and Tasmanian Irrigation Renewal Energy Project I mentioned earlier under the energy portfolio, a crossover there.
- \$3 million to continue investing in Landcare Tasmania across the state.
- \$4.8 million for the Weed Action Fund.
- \$13.8 million invested in initiatives to support our world-class wild catch and farm seafood sector, including funding for the new Blue Economy Co-operative Research Centre - very exciting opportunities for Tasmania to lead Australia, to lead the world.
- Analytical Services Tasmania, which delivers product quality testing services to a range of sectors.
- The East Coast Rock Lobster Translocation Program; Fisheries Digital Transition Project for efficient fisheries management and quota monitoring; Abalone Industry Development program; Tasmanian Seafood Industry Council policy support; Tasmanian Shellfish Quality Assurance and Aquaculture Market Access program; Oyster and Shellfish Real Time Sensor Monitoring; and research into the Institute for Marine and Antarctic Studies.

In this year's budget we have delivered significant funding to an area of biosecurity. That has been treated as a top priority and Legislative Councillors have recently been briefed on biosecurity to make sure we are meeting the challenges of the twenty-first century.

The Budget features an additional \$2.6 million per year into our frontline border biosecurity initiative, which includes, among other things, more biosecurity inspectors doing more inspections of high-risk produce and imported freight and goods, industry biosecurity partnerships and a new tourism biosecurity program.

The additional investment will be supported by changes to the partial cost recovery of inspection service fees and further information will be outlined in a regulatory impact statement soon to be released for consultation.

Finally, a critical issue of the portfolio this year has been the meat processing sector. In summary, the Government has secured a two-year agreement for Tasmanian Quality Meats to operate the pork line at the Devonport City Abattoir facility, after the closure by JBS.

Through the Department of State Growth, over \$800 000 has already been committed to help smaller processing works build capacity. I put on record my sincere thanks to the Minister for State Growth in that regard. This is in addition to the \$1 million already committed to meat industry development over four years for 2018-19. Through the Tasmanian Meat Industry Working Group, made up of industry stakeholders, we have engaged with producers, processors, and others throughout the supply chain.

I advise that the Government has accepted all 26 findings and recommendations of the Tasmanian Meat Industry Working Group. We will use this information to inform the long-term strategy for Tasmania's multimillion-dollar livestock industry.

I am pleased to release the working group's report today and the Government's response, as well as the independent feasibility report into processing capacity from Meridian Agriculture.

Chair, I have copies of that report that I would be happy to table. I have only two, but we can get more available.

**CHAIR** - If it is possible, could we have one for each committee member?

**Mr BARNETT** - We can assist in that regard, I'm sure.

Before I finish, I want to acknowledge not just my secretary, but all staff in the Department of Primary Industries and Water, who bring expertise and knowledge across a wide range of areas to this portfolio and daily provide important public services that are vital to continue to grow these significant areas.

As a minister, I feel very supported by -

**CHAIR** - This is an example of the support. A bit like Cinderella.

**Mr BARNETT** - There you go, you asked for a number of copies and we've delivered. We are trying to be helpful. That is evidence of action.

Chair, that concludes my opening remarks. Happy to go with questions. I feel very supported as minister and I am thankful to the staff and their support, sitting behind me and elsewhere in the north and south of the state.

**CHAIR** - A lot of your opening comments relate to areas that are not in the first output group. We will probably go into the output groups and then get to those. It is better placed to ask those relevant questions there.

## **Output Group 1 Land Tasmania**

### **1.1 Land Titles, Survey and Mapping Services -**

**CHAIR** - I don't have a lot of questions. I have one from our absent member of the committee.

To me, this seems like a really well-run part of your department, in that the work is being done in improving the digital access. I am sure this is where all the LIST work is done. The access that is provided to that is beneficial to a whole range of people.

Mr Finch sent this question and I think it is similar to what I was asking myself. His question is -

It is not surprising that the allocations for land titles, survey and mapping services shows a steady increase over the forward Estimates, but I would have thought that with improved electronic systems, cost increases wouldn't be so dramatic. Is there an explanation?

He was suggesting that with digital improvement you would think there might be less cost. Are you able to explain what the staffing allocation is within this sector, within this line item, and the cost of the work they do? Could you provide a bit of a breakdown of the costs there?

**Mr BARNETT** - I am happy to do that. I will seek support from my secretary in that regard, but perhaps as an overview, yes, Land Tasmania has come a long way in access to quality land management information which supports decision-making, not just from the government's perspective, but from that of individual Tasmanians and businesses.

It is important we are trying to make it faster, easier and simpler for people to do business and to understand how that operates.

The advice is that Land Tasmania is on track to meet various KPIs as you, Chair, referred to them. We've got the LIST website sessions target that is on track; we are continuing to expand its reach, both in utility and in the number of data sets that it delivers.

A key feature of LIST is the ability for other businesses to consume LIST data into their operations through the use of web services, thus automating that process. You have key components of the list, including LISTmap, LISTdata, an emergency list version of LISTmap, which is the Common Operating Platform, COP. It has a range of applications across a different set of platforms. I can talk more on the performance measures.

**CHAIR** - I'd like to talk about FTEs.

**Dr WHITTINGTON** - You are absolutely right. Over time, digitisation and the use of digital methods of transactions have improved the efficiency of the organisation. For example, if we look

at the number of transactions our Land Titles Office processes annually and how that's changed over time, and look at the expenditure - a lot added expenditure against those - you get a picture. If we go to 2012-13, consolidated expenditure was a little over \$3 million for the Land Titles Office and they had something like 65 000 dealings lodged. The consolidated expenditure for the 2017-18 year was about 2.7 million and had something like 92 000 dealings lodged. Our expenditure has been flat in that area for a long time but the number of transactions we're dealing with has gone up, reflecting property market. If you look at efficiency as transaction per person, there has been an enormous increase in efficiency in that time. Taking out indexation, we are pretty much flat and we will have to see what happens to the number of transactions and balance accordingly. Our projection is solid.

**CHAIR** - Do you have information about FTEs in the department?

**Dr WHITTINGTON** - We do. In this output group, the land titles, survey and mapping service FTEs at 1 March 2019 were 78.64, and there were 30 in valuation services, giving a total of 109. If we compare that to June 2014, for example, we had 96 in land titles and surveying and we had 35 in valuation services. FTEs have reduced over time and the number of transactions has increased.

**CHAIR** - You can claim efficiencies within the office in achieving that?

**Dr WHITTINGTON** - Absolutely, it is a combination of efficiency and process in the way we perform our tasks, also using digital means. At the same time, we have performance indicators on quality, which we are maintaining and they're reflected in the budget papers.

**Mr GAFFNEY** - That's three less FTEs. Last year was 82.4 in mapping services and 21.1 in valuation services [inaudible]. I imagine it's a fairly stable workforce. Is there rejuvenation of people within the department? Do they take on different roles and responsibilities and do you see much turnover?

**Dr WHITTINGTON** - As an agency, we've done a lot of work on our demographics. We have close to 1400 people across the agency. We have agency-wide programs and we put a lot of work into understanding who we are. On average we are about 50 years old, we are male and we are well educated. That's the average person in the agency.

**CHAIR** - You're not saying pale, male and stale in another language, are you?

**Mr BARNETT** - He didn't say that.

**Dr WHITTINGTON** - We have developed a number of programs that we are rolling out across the agency to address that. We also know in this area we are ageing but more than average of the rest of the department. As an agency, we have introduced a cadet program. We invite people who have started university, first year university students, to apply to our cadet program. We have been taking three a year over the last few years.

We pay those cadets to work for us whilst they complete their degree. It takes them longer to complete their degree but in that we move them around the agency. We use the business commerce area as one of their key subjects we expect them to do. We have them placed in different parts of the agency. Over time, the three a year we have been doing for the last few years is bringing in younger people. We have worked very hard on increasing diversity in the workplace and we have

programs in place around flexible work arrangements to encourage a broader spectrum of people into our agency and that is working as well. We have a range of programs -

**CHAIR** - What are the travel costs associated with the output group 1 - valuation services, land titles, survey, mapping services and consultants? Are there any advertising costs?

**Dr WHITTINGTON** - I don't have them broken down by output group. I have them listed at the scale of the agency for advertising.

**CHAIR** - When you say the 'agency', how broad are we talking?

**Dr WHITTINGTON** - It is the full agency across Parks and Environment as well. I can give a sense of where it is, I don't have it broken down to the dollar for this output group.

**CHAIR** - Give us what you have and we will see how we go with that.

**Dr WHITTINGTON** - For the period 1 July 2018 to 30 April 2019, not quite a full calendar year, our expenditure on advertising was \$436 977, and \$179 359 of that was in public notices. Those are the public notices we have to list, whether it is around fishing or whatever.

**Mr BARNETT** - That is across the department.

**CHAIR** - Some of that would be notification in newspapers.

**Dr WHITTINGTON** - The \$170 359 includes notices such as the Land Titles Office putting a notice in the paper or if Water and Marine Resources is putting a notice in the paper. The balance of that cost is campaign advertising - for example, Parks marketing, which is not this portfolio. As an example of one of those expenditures, the Water and Marine Resources water licence and dam permit public notice is \$41 000 of that public notice expenditure. We spent \$41 000 on public advertising and notices as part of the Queensland fruit fly incursion response. That is inside the money I was talking about. There are no other items relevant to this portfolio.

**CHAIR** - What about travel costs and consultancy?

**Dr WHITTINGTON** - I might have that after lunch.

**CHAIR** - We can come back to that.

**Mr VALENTINE** - Can you give us an understanding as to how many third party providers are engaged by Government to do the work? Do municipalities or Government who engage them?

**Mr BARNETT** - Can you break that down?

**Mr VALENTINE** - I am talking about third party valuers. Sorry, I am on to 1.2, and ahead of myself.

**CHAIR** - Before we go to that, performance information, I wanted to reflect on in terms of the of the first output group 1.1.

**Mr BARNETT** - Performance measures and changes in those. The four areas are quality of Tasmania's land survey and valuation services; the efficiency of land registration processes; accessibility of quality land information to support decision-making; and level of government, industry and public use of LIST. They are either all on track or have been achieved for the last 12 months.

**CHAIR** - There were only targets for this year, but you expect to be on track to achieve those targets with each of those areas. Is that what you are saying, minister?

**Mr BARNETT** - That is for the year through to 30 April 2019, but I will check on the year ahead.

**CHAIR** - No, the completion of this year. Are you on track to achieve this year?

**Mr BARNETT** - Yes, we are track.

**CHAIR** - The growth in accessing the data and the personal requests for assistance from the office you receive? That is what Dr Whittington was talking about increasing significantly. For example, do you track every hit onto the list or do you count the personal interactions with the office in terms of the customer engagement?

**Mr BARNETT** - I will ask the secretary to respond.

**Dr WHITTINGTON** - Across the metrics, we capture information on LIST, the number of sessions and the number of pages accessed and the number of unique accesses. We track all that data. We are reporting the data we have available, but I certainly have the number of sessions as a performance indicator, which is at 2.3 million sessions, the target for this year. We track that electronically and when it comes to things like, things lodged and applied for.

**CHAIR** - The performance measure with the number of land-related datasets available via the LISTmap? A footnote here says the measure -

reflects the number of layers available via LISTmap and includes layers secured and accessible by specific clients such as emergency service organisations. Operational responses to biosecurity incident, integration of layers from ABS and other government data projects has resulted in the year on year increases to the available LISTmap layers.

**Mr BARNETT** - Could I ask John if Stuart Fletcher, Head of Land Tasmania, could come to the table? John is covering it very well, but Stuart might be able to flesh out the answers to your questions in more detail. Stuart is available and would be very useful.

**CHAIR** - What are the layers needing to be added? Is it infinite or will you get to an endpoint in this?

**Mr FLETCHER** - It really depends on what is the topic of the day. Quite a few of the datasets added this year were upgraded enterprise suitability mapping. That is mapping for different types of crops and what land in Tasmania is suitable for growing those. Considerable statistical information has been added to LIST. It is not infinite, but depends on what the priorities of the government of the day are and what information is needed to make decisions around those priorities.

**CHAIR** - There are still notionally a few other layers could be added?

**Mr FLETCHER** - If the data is spatialised, yes.

**Dr WHITTINGTON** - For example, during the fruit fly response we generated very specific data layers to support the fruit fly response. During the fires we produced many layers that were added as a result to help manage the fires. It is a very dynamic environment.

**Mr BARNETT** - It is and at Agfest, John, you were showing me that LIST had access there; farmers, for example, could come and see, with respect to their land, whether it was useful for growing carrots or peas or poppies. You could drill down and get specific information with respect to your property. It is incredible, the amount of data they are throwing at it and making available to members of the public. What was the name of that specifically, Stuart?

**Mr FLETCHER** - That was the enterprise suitability mapping you were talking about. It is information that has been modelled by our department - not Land Tasmania - a separate division in Natural and Cultural Heritage modelled this information based on soils, climate, rainfall, temperature, frost and those types of things. Using that modelling, they can identify areas of Tasmania suited for specific crops and areas that may not be suitable, or areas that, with some other treatment like adding lime to the soil, you could make the soil suitable. Those types of datasets have been added. The other point is that we don't necessarily host some of these datasets or services.

**CHAIR** - That was the next question I was going to ask.

**Mr FLETCHER** - For instance, during the recent fires, a lot of the datasets we added to LIST were external services. There is sentinel hotspot mapping from satellites that identifies in near-real time. Satellites are going over every eight hours or something like that, from recollection, where there are hotspots. In some cases, it is a good way of picking up intelligence we may not have visibility on as well.

**CHAIR** - In terms of the data that you do have responsibilities to store, it must be pretty significant in its amount anyway?

**Mr FLETCHER** - Yes.

**CHAIR** - Looking at your data security then, how do you manage that? Is it factored into the costs associated with this area? Could you talk a little about that?

**Mr BARNETT** - I think Stuart can respond to that question.

**Mr FLETCHER** - The Land Tasmania systems sit within our department's IT environment and the broader whole-of-government IT environment. There are levels of firewalls between the general public users and our systems.

**Dr WHITTINGTON** - We also, through LIST, host the common operating platform, which is what the emergency services - police, fire service, ambulance - use to track all their incidents as well. We have very high levels of security and access. We also hold all the utility data, for example where transmission lines are, where gas lines are and the like.

**CHAIR** - What about Telstra lines?

**Mr FLETCHER** - Yes, we have Telstra data.

**CHAIR** - This is a slight diversion, but through LIST, could I get on there and find out exactly where the optic fibre comes in? No. I thought I had an answer for one of my constituents here.

**Mr FLETCHER** - There is a high degree of security over who can access that.

**Dr WHITTINGTON** - This is the exact point I was going to make. We have built LIST to have very high levels of security as some of the data in there is very sensitive. I am sure a lot of people would like to know where every police vehicle is, for example.

**CHAIR** - My farmer wants to know so he doesn't dig it up, which would be a bad outcome.

**Mr FLETCHER** - They should be going through Dial Before You Dig.

**CHAIR** - They are, but it is costing them money every time they turn around. That is the problem.

**Mr FLETCHER** - Dial Before You Dig is important in terms of health and safety in the workplace, and we strongly encourage that. The point John is making is that security is a top priority. Making the information available is also a top priority, but you have to balance the two and make sure we protect the public interest.

**CHAIR** - In terms of data backup, it is all part of the whole-of-government approach so that you are pretty sure you are not going to lose it in a crash or whatever?

**Mr FLETCHER** - Our data backup strategy is our agency's data backup strategy, but a significant amount of work goes into backing that data up. We run multiple servers in multiple locations. We have a server in the Lands Building and we have a server in New Town, so there is redundancy there. We would still be able to operate if one of those facilities were to burn down.

**CHAIR** - Do you have the expertise within the department to manage all of this? Have you outsourced any of this?

**Mr FLETCHER** - We have the expertise in the department.

**CHAIR** - Okay.

**Mr VALENTINE** - Local government keeps a lot of datasets. How engaged is local government in providing information to your datasets? Will local government gain access to the telecommunications overlays, which they can use to make decisions, such as when they're going to maintain streets and who they have to connect with? Does that happen through LIST?

**Mr FLETCHER** - There's a couple of dimensions to that question, the first being about our engagement with local government. Land Tasmania has high engagement with local government in terms of datasets. The cadastral property information available through the LIST, that dataset, is managed on behalf of local government. Only one council is managing their own cadastre, but we also work with local government in upgrading our cadastral data. That dataset has been built from



the old topographic mapping and then, as more accurate surveys are undertaken by surveyors, we incrementally upgrade the quality of the cadastre and the accuracy of that information. It's gone from what would have been 5-metre accuracy down to 10- to 30-centimetre accuracy in some parts of the state. We've worked specifically with some councils to upgrade areas of the state. We spent a fair bit of time and resources partnering with Launceston City Council to upgrade its areas.

**Mr VALENTINE** - Do they pay for your services?

**Mr FLETCHER** - They put in money and we put in resources and time to do the work; it's a partnership.

**Mr VALENTINE** - It's an agreement, is it, on paper?

**Mr FLETCHER** - It's not an agreement on paper.

**Mr VALENTINE** - A gentleperson's agreement?

**Mr FLETCHER** - We have good relationships with them. They may put in money and we put in time and resources to upgrade that. We also run the Tasmanian Imagery Program, the acquisition of aerial photograph, LiDAR, and imagery, which we broker on behalf of local government, government business enterprises and other government agencies. That's quite beneficial because, say, for instance, a council and TasWater want to capture imagery of a certain area, they're not doing it themselves and acquiring two lots of imagery and paying two lots of costs for the acquisition of that imagery. That feeds into what we make available through the LIST as well, so everybody benefits.

**Mr VALENTINE** - Can you address that the issue of telecommunications in streets et cetera?

**Mr FLETCHER** - I can't definitively say they don't have access, but I would very much doubt that local government would have access to that data -

**Mr VALENTINE** - Telcos are pretty -

**Mr FLETCHER** - That would be a restriction of the data custodian. If the data custodian says to us that the only purpose people can use for this data is for is this, and in the case of telecommunications that would be for emergency response. Having that telecommunications infrastructure available during fires is important. We need to know where telecommunications towers and those types of things are so that they can be protected if -

**Mr VALENTINE** - You talk about a data custodian. Do you mean the owner of each datasets as opposed to a person who makes decisions as to who will see what?

**Mr FLETCHER** - The data custodian in the case of that data would be Telstra -

**Mr VALENTINE** - Yes.

**Mr FLETCHER** - Or if it's data that's come from another telecommunications provider.

**Mr VALENTINE** - Thank you. Thanks, Madam Chair.

**Mr BARNETT** - Can I just wrap up where Mr Valentine is going with those questions? As a new minister from 31 October last year, I've learned more about LIST and the opportunities for government, business, the community, technology, the university - it is fantastic. I want to put on the record that the Tasmanian Spatial Information Council - TASSIC - is a wonderful organisation and collaboration of all those key sectors coming together.

**Mr VALENTINE** - Does Sense-T feed into this data?

**Mr BARNETT** - The University of Tasmania absolutely is part of TASSIC.

**Mr VALENTINE** - I am wondering whether they add data to your overlays?

**Mr BARNETT** - I will check with Mr Fletcher.

**Mr FLETCHER** - Not specifically, but Sense-T has been involved in censuses that fed into the enterprise suitability mapping. They have been involved in some datasets but I don't think it is the custodian of any specific datasets we have.

**Mr VALENTINE** - Okay, thanks.

**Mr BARNETT** - Alan Smart is the chair of TASSIC, a collaboration of all these key sectors. They are looking at access information, data and services infrastructure that LIST has access to and across government, making it available for the public benefit for Tasmania. I am learning more and would be pleased to make that information available to Council members at a convenient time.

We have not really learnt exactly how all this can benefit Tasmania and the different parts of our community. It is on the public record, TASSIC was only formed about 10 years ago and Mr Smart is doing a terrific job as chair. I will come back to the Council and make it available for you to learn more about, because the more I learn about it, the more upside I see in terms of the potential for not just for government, not just for business, but for our community - it is terrific.

**CHAIR** - That is a good suggestion. We have been provided with access as members of parliament to assist us in our role, but I personally do not understand the full capacity. A training session rather than a briefing to show us and our staff how it works would be helpful.

**Mr BARNETT** - We could combine the briefing with a training session. I am still getting my head around it but can see the upside. The potential, while not unlimited, will hugely benefit Tasmania.

**Mr VALENTINE** - Some of those datasets are very expensive to put together and some of the players may want to get a return on the use of the data. Can you take us through some of the issues you might come up? Are there charges for datasets a third party is providing and wants to get a return on their investment?

**Mr BARNETT** - You have raised a really good point and we have touched on that already with what the Government has on LIST and what is available to the public, then there is Telstra and other telecommunication operators who perhaps do not want that information available. There will be other information technology companies that have information or services available they will want to charge for and you have to protect confidentiality and privacy there.

**Mr VALENTINE** - There is all of that and splitting the revenue.

**Mr BARNETT** - Yes. The University of Tasmania had those same issues because it has a reservoir of information and research that becomes available for the public benefit; on the other hand, they want to try to cover their cost of research and so on, so it is not dissimilar. I will check if Dr Whittington or Mr Fletcher can add to that because it is a complex area. It is a very good question with no simple solution.

**Dr WHITTINGTON** - The Government has an open data policy as an introduction and then we will talk about some of the commercial services.

**Mr FLETCHER** - The majority of the datasets Land Tasmania is custodian of are freely available. We make it freely available by LIST, but we also make the underlying data freely available.

**Mr VALENTINE** - Don't you charge per session?

**Mr FLETCHER** - Not in LISTmap. The only things we charge for are property reports, land titles dealings, documents and things like that.

**Mr VALENTINE** - Okay.

**Mr FLETCHER** - With LISTmap we do not charge for any of those services. If you are accessing information, either you have access or you do not. You may not have access if it is a restricted dataset, but a publicly available dataset -

**Mr VALENTINE** - My dad passed away recently and I had to go there, lodged a form to say he passed away and was charged \$111, thank you. Those sorts of things are charged for, but use for public benefit is not? That is what I am hearing.

**Mr FLETCHER** - The mapping information available via LISTmap is not charged for.

**Dr WHITTINGTON** - I might add to that. We have a policy of open data for special data, which is about making it as available as possible. We also make it available to companies that build applications that sit on top of that data or consume that data. They may then sell that product and that is part of what they do.

**Mr VALENTINE** - They would be charged.

**Dr WHITTINGTON** - That's right. If it is a service built on top of LIST or another one of our products, there might be a charge associated with that particular service.

### 1.2 Valuation Services -

**Mr GAFFNEY** - The VISTAS redevelopment project was delayed for a couple of months last year and it was a \$1.5 million expenditure. This is the first opportunity for you to report on that system, whether you are pleased with it, whether there were teething problems and whether staff are finding it effective. Do you have any feedback to offer?

**Mr BARNETT** - I will comment and pass back to Dr Whittington and Mr Stuart. That contemporary property and valuation management system was delivered in October 2018. I am advised that system an authoritative property and valuation register that underpins and supports government and stakeholders' revenue generating in property management services. Further work is in progress to deliver additional features and enhancement to maximise the efficiencies including functionality to support land acquisitions. The new system has been developed by Tasmanian IT company Geometry Pty Ltd with close involvement of staff from the department. It is a priority for the department.

**Mr FLETCHER** - Yes, the system was live in October last year and there are some pieces of functionality we didn't introduce when it went live. Some of the reporting functions were on, from memory, land acquisitions, such as managing acquisition projects as part of the valuation system. Largely, it has gone well with the occasional teething problem, and you get those with all systems.

**Mr GAFFNEY** - What is the cost of those teething problems? Is it money well spent or are more funds needed for it to work effectively? It has replaced the system you are using now and will be there for a number of years.

**Mr BARNETT** - The project budget was \$1.5 million and the tender price was \$1.118 million. The remainder of the budget was allocated to project management, business analysis, procurement costs and contingency. The Office of the Valuer-General is responsible for delivering uniform valuations across the 29 municipalities. I am advised that, as of 31 March 2019, this consisted of 283 782 properties on the valuation roll with a capital value of \$105 billion.

**Dr WHITTINGTON** - We built a contingency into the budget and we are operating within our means. We have a functional VISTAS now and it is performing really well. Mr Fletcher has highlighted the aspects we are polishing but we are comfortably managing it.

**Mr GAFFNEY** - Are you pleased with what you chose as the system, has it been valuable for your staff and more effective in delivering the services you need to deliver?

**Mr FLETCHER** - Absolutely. Into the future, we will streamline a lot of the work we do and build workflows and rigour around our processes. Geometry Pty Ltd built the Housing Tasmania housing asset management system and that was the foundation for the valuation system. Housing and Land Tasmania are using a very similar system developed by the same company and based on the same framework.

**Dr WHITTINGTON** - We are very happy with the work of the Tasmanian company Geometry - it is very good.

**Mr GAFFNEY** -On FTEs in the Land Titles Survey and Mapping, staff went down to four staff and on the Valuation Services side, you went up one staff. Are you expecting the staff ratio will decrease or more work will be generated or is it simply the nature of the beast?

**Mr FLETCHER** - It will come down to valuation work we are doing - the amount of supplementary valuations we need to do, whether we have fresh valuations being run through municipalities and also our land acquisition workload. There is work there for the Office of the Valuer-General as well. It would largely depend on the work required.

**CHAIR** - How many of the valuations were disputed or questioned in the last 12 months?

**Mr BARNETT** - Stuart is best to answer that, Chair.

**Mr FLETCHER** - Very few over the last 12 months because we did not have a fresh valuation.

**CHAIR** - When was the last one done?

**Mr FLETCHER** - We are currently about to issue fresh valuations for nine municipalities in the next couple of weeks.

**CHAIR** - Which ones are they? We always find out anyway through our electorate.

**Mr BARNETT** - You have 60 days to object. They have a target in terms of objections, the advice is 2 per cent of the total or less and the Valuer-General has met the target consistently.

**CHAIR** - Or less than it.

**Mr BARNETT** - I am happy to add to that if you want more information.

**CHAIR** - The municipal areas being revaluated this year.

**Mr BARNETT** - Yes, I can give you an update. The Valuer-General is finalising fresh valuations for the following councils - Break O'Day, Brighton, Burnie, Central Coast, Circular Head, Clarence, George Town, Meander Valley and Northern Midlands. The Valuer-General is required to provide valuation information to the councils as soon as reasonably practicable following the proclamation of fresh valuations. The proclamation of those fresh valuations is likely to occur in the second half of June this year, consistent with previous years.

In accordance with section 90 the Local Government Act, the councils may set a general rate no earlier than 1 June and not later than 31 August in respective of each financial year. In order to assist councils in modelling the distribution of the general rate the Valuer-General typically supplies data earlier to councils and ideally the data will be provided in early May. However, due to minor delays and returns in the introduction of a new system, it was supplied in late May to the nine councils.

**CHAIR** - This is a question Mr Finch wanted to ask. Is there a user pays element for valuation services? I think that only relates to when there is an objection. Their rates may change but is not a direct cost to the Valuer-General's office. Is there a user pays component and when does that apply?

**Mr BARNETT** - I will check with Stuart.

**Mr FLETCHER** - For the fresh valuations, the councils pay the costs of the contractors; for supplementary valuations, if you go and build a shed or subdivide your block, there is a fixed fee for those valuations.

**CHAIR** - Or if you object to it.

## UNCORRECTED PROOF ISSUE

**Mr FLETCHER** - No, the objection component is covered in the contract fee from the valuation contractor. As part of our contract with the contractors, they need to deal with objections. They need to go out and reassess those properties where there might be objection.

**CHAIR** - Are the contractors locally based or do you have to get them from the mainland?

**Mr FLETCHER** - They are a mainland companies, but my understanding is that they engage local staff to undertake the work.

**CHAIR** - How many do you have? When you are doing a revaluation, it might depend on how many council areas you have.

**Mr FLETCHER** - There are three contractors for the last round of revaluation.

**Dr WHITTINGTON** - The way it works is that each municipality is contracted out and some are aggregated up, so three companies - LG Valuation Services, ValueIt, and Opteon - had the workload between the 10 areas done this time.

**Mr VALENTINE** - What percentage of objections are about valuations third party providers have done? Or were they all third party providers in that regard?

**Mr FLETCHER** - As at 30 April for this financial year, we had three objections. They were related to supplementary valuations; we didn't issue any fresh valuations. In 2017-18, we had 19 objections -

**CHAIR** - Where they supplementary valuations again?

**Mr FLETCHER** - They would have been supplementary as well. And the year before, there were 307, so that would have been a year when there were fresh valuations.

**Mr VALENTINE** - Not huge.

**Mr FLETCHER** - No.

**Dr WHITTINGTON** - To put it in context, in the two years where we had 19 and three, we had about 9800 supplementary valuations. That's 0.0-something per cent.

**Mr VALENTINE** - So in real terms, it's a smidgen.

**Dr WHITTINGTON** - Then in the year we had the 307 objections, there were 93 999 fresh valuations done - something like a 0.25 per cent objection rate.

**Mr VALENTINE** - When you outsource those valuations, do you put a stricture on the companies delivering them that they have to do it to a certain level - that they are not to be just drive-by valuations? Just for quality purposes.

**Mr FLETCHER** - The contract requires the valuers to actually inspect. They need to do a kerbside assessment of the property for residential. For some other classes of property, like rural and industrial and commercial properties, they actually have to do an inspection of the property.

## UNCORRECTED PROOF ISSUE

**Mr VALENTINE** - No doubt they would look at local sales figures and things like that to help inform them when they are making those valuations.

I guess, the old problem of external valuers working, say, in Melbourne or wherever in Victoria, is that there are higher values over there. They come over here and do valuations. There is an opportunity for the valuations to be higher than perhaps normal. I don't know.

**Mr FLETCHER** - I am no expert, but my understanding is that as part of the contract, they are required to provide a market assessment as a first deliverable before they go out and do the valuations. That indicates how they are going to approach the valuations, specifically for that purpose.

**Mr VALENTINE** - To make sure they are not overinflating the values?

**Mr BARNETT** - I think it is fair to say, as a government and as a department, we are very keen to ensure it is as accurate as possible a market valuation, and that it is based on Tasmanian data. We have to have something relevant to Tasmania, which is your point, and I totally agree with you. The terms and conditions of the arrangements with these third parties are entirely relevant, and those sorts of things will be included in those terms and conditions.

To the point Stuart made earlier, often they use the Tasmanian people on the ground - Opteon, for example, has people on the ground in Tasmania doing the job. They know the game better than anyone around this table, and they get those people to do the job.

**Mr VALENTINE** - Is it still the case you provide municipalities with staged valuations? If you do a valuation in five years, their setting rate is in year three, and they will not have another one until year five. Is a percentage applied? How are you dealing with that?

**Mr FLETCHER** - So yes, we do issue adjustment factors.

**Mr BARNETT** - Adjustments?

**Mr FLETCHER** - Yes. Adjustment factors. Adjustment factors were issued for the remainder of the municipalities not subject to fresh valuations this year.

**Mr VALENTINE** - Can a council come to you and say they've reason to believe that values in their particular area might have risen, there might be a whole new subdivision and they want to get a more accurate estimate as to what the value is? Can they say, 'We want this part revalued', or not?

**Mr FLETCHER** - My advice is no. It is fair to say adjustment factors are not only municipality based. If we issue adjustment factors for a municipality with urban areas and regional areas that have a completely different market, we will issue adjustment factors based on the -

**Mr VALENTINE** - On the locale? Okay.

**Mr BARNETT** - The Valuer-General is here if you'd like to add further questions. Stuart obviously from Land Tasmania, but the Valuer-General is here to assist the committee if required.

**Mr VALENTINE** - I only wanted an indication.

**CHAIR** - We need to break for lunch shortly.

**CHAIR** - So, do you have any further questions?

**Mr VALENTINE** - No.

**CHAIR** - We might break for lunch now and come back at 2. We will come back to the next Output Group 2.1 AgriGrowth Tasmania.

**Mr BARNETT** - So, we're finished with -

**CHAIR** - Output Group 1, yes. Dr Wittington, I assume will still be here, and he can provide that other information when we start.

**The committee suspended from 1.05 p.m. to 2 p.m.**

**Output Group 2  
Primary Industries**

**CHAIR** - Welcome back, minister, do you have some answers to provide first up?

**Mr BARNETT** - You were asking how many outages in the last 12 months and I can advise Basslink has had six outages. They have consisted of two planned outages - a total time of 10.5 hours and four unplanned outages - total across all four of 42 hours. I am also advised this information can be obtained from public sources.

**CHAIR** - It is easier if we ask you and find that for us.

**Mr BARNETT** - I am happy to help but it is on the public record. I will pass to the secretary who may have an answer to at least part of your question.

**Dr WHITTINGTON** - I have information for contracts and consultancies and for travel but not broken down by output group. That is being done at the moment. I will give you the aggregated data for the department and when the other information comes through I will hopefully give you later -

- contracts greater than \$50 000 awarded in 2018-19, value was \$20 165 603 million
- consultancy under \$50 000, value was \$759 891
- consultants between \$10 000 to \$50 000, value was \$643 633
- domestic travel expenditure for the agency against the Consolidated Fund for 2018-19 to date was \$1.049 million
- overseas travel for 2018-19 was \$72 536.

**CHAIR** - Is that in addition?



**Dr WHITTINGTON** - Yes, that is right.

**CHAIR** - Are you still working on the information about who the contracts and consultancies were?

**Dr WHITTINGTON** - I have information for the agency in each contract for the agency but there are many of them . I am getting it split to output groups so I can give you the information by output group.

**CHAIR** - Okay. Thank you.

**Dr WHITTINGTON** - The amount for the overseas travel is a combination of funded out of Consolidated Fund and what is funded from other parties. A lot of our overseas travel is funded by either the Australian Government or other parties, so of that \$72 536, \$33 906 was against the Consolidated Fund and the balance was other sources.

**CHAIR** - Other parties beside the Australian Government being?

**Dr WHITTINGTON** - There are all mostly entities of the Australian Government such CSIRO might pay. We did some work in the Solomon Islands on an oil spill and so different parties will contribute to the cost of travel.

**CHAIR** - All right. We will leave that question in our list until we receive the extra break down.

That was all in terms of answers?

**Dr WHITTINGTON** - Yes.

**Output group 2.1**  
**AgriGrowth Tasmania**

**CHAIR** - We all acknowledge the important role agriculture plays particularly in my electorate and others in that region.

There are a lot of initiatives. I would like to ask you for a bit more detail about some of the initiatives you are proposing in this output group. In this area, you talk about the majority of the Agriculture Research Development and Extension service delivered by the Tasmanian Institute of Agriculture in this output and also includes Game Services Tasmania.

What does Game Services Tasmania do and how does it assist landowners?

**Mr BARNETT** - The Game Services Tasmania Council is meeting today, as we speak, headed by your former member, Greg Hall, who is doing a terrific job as its chair. I really appreciate their work and what they're doing. This was part of our new approach coming to Government and it seems to be working pretty well. I have been the new minister since 31 October and the Game Services Tasmania Council is providing advice to me in a range of areas - game and deer management and quality deer management. They have crop protection permits, the deer census -

**CHAIR** - Do they issue those?

**Mr BARNETT** - The council is an advisory body and they meet during the year. They have a work plan to work through and, yes, crop protection permits are part of their remit. They don't offer them; that goes through the Game Services Tasmania, which employs eight officers. Recruitment is being undertaken for a further two officers, the two vacant positions of the eight, with game management production, agriculture and wildlife biology experience. The team works closely with farmers, landholders and hunters and provides advice and extension to support effective management of game and browsing animals in Tasmania. I will ask the secretary to flesh out the role of Game Services Tasmania.

**Dr WHITTINGTON** - Game Services Tasmania has responsibility for browsing animal management and all the issues associated with browsing animal management, from education and assistance to landholders with browsing animal issues.

**CHAIR** - Such as control, does that fall under this area?

**Dr WHITTINGTON** - Yes, that's right. For example, they are providing advice to landowners about fencing options, the use of 1080, shooting and the suite of tools available to manage browsing animals. They're also responsible for deer and ducks; recreational hunting is managed through Game Services Tasmania, for example, all of the work around allocating permits for recreational hunting. It's also responsible for managing the seasonal ballots for access to country for deer and similar. It has a broad range, managing recreation hunting and browsing damage. One of its key roles is supporting the newly appointed council and implementing its work. It is also responsible for things such as the deer census advertised last weekend.

**CHAIR** - You said there were eight workers and two more being recruited?

**Dr WHITTINGTON** - No, there will be eight at full complement.

**CHAIR** - Okay. Is the Game Services Council advisory body paid sitting fees?

**Mr BARNETT** - I'm pretty sure they are paid sitting fees. Can the secretary offer some detail?

**Dr WHITTINGTON** - We'll bring Danielle Poirier, Director of AgriGrowth.

**Ms POIRIER** - My understanding is that the chair is a paid position and the others are sitting fees or members.

**CHAIR** - How much does it cost overall per annum?

**Ms POIRIER** - I don't have that answer at hand but I can find the annual costs for you.

**CHAIR** - Yes, that would be good, thanks. Can you provide an update on the move of the DPIPWE staff, how many have moved and what the likely time frame is?

**Mr BARNETT** - Yes. It's 100 staff, which was a policy commitment prior to the election.

**CHAIR** - That was 100 over a period, not 100 suddenly moving.

**Mr BARNETT** - Yes, to move 100 DPIPWE positions to the north and north-west over the term of our Government. As of today, the advice I've received is that 44 positions are included as part of the northern recruitment policy. This includes three positions that have been voluntarily relocated as part of the department's northern recruitment relocation assistance policy, which came into effect on 23 August last year.

We've progressed. The northern recruitment relocation assistance policy provides support for permanent DPIPWE employees to voluntarily relocate to the north and north-west via an internal expression of interest process. To accommodate the increased numbers and employees in the north and north-west, a northern accommodation project was initiated. There is a budget for that and it is outlined in the Budget - it is \$2.4 million over that four-year period. That included capital funding of \$600 000 to support the capital works and fit-out of the offices and spaces in the north and north-west.

**CHAIR** - I am assuming movements of staff have been to those two locations. Are staff moving to any other locations?

**Mr BARNETT** - I will pass to the secretary on that operational matter.

**Dr WHITTINGTON** - I'll answer that in two parts. We have 44 positions in the north that weren't in the north at the start of this policy. We are well ahead of the pro rata target that was set. We're doing it through vacancy management. Whenever a job comes up within the agency; if the job can be done in the north, it's advertised as a northern-based job. Through that, we are moving people to the north. As well as that, if anyone wants to move to the north, we have an assistance package to assist them to move. In the north, the bulk of people are going into either Prospect or Mount Pleasant in Launceston or Stoney Rise in Devonport. There are also staff going to other offices like Parks and Wildlife offices and the like along the coast. It might be in Ulverstone, Deloraine or wherever the Parks and Wildlife office is.

**CHAIR** - Can you give me a breakdown of which facilities or towns the staff have moved to?

**Dr WHITTINGTON** - I don't have that in front of me but we can provide that.

**CHAIR** - You said that when a job becomes available because someone's retired or resigned, it is assessed for relocation to the north. What jobs can't be done in the north?

**Dr WHITTINGTON** - For example, and I will give you an obvious one, if you were a gardener at the Royal Tasmanian Botanical Gardens, you couldn't do it. For example, people who are on front counters, if it's a parks officer at Mount Field, they'll be at Mount Field. The geographically tied jobs are the obvious cases. Sometimes there might be a specific reason why a job needs to be in the south. An example would be in Game Services, where we have almost all of our staff in the north and we need one or two field officers in the south. Sometimes you need a geographic specification to provide service to landowners. That is part of the consideration. The starting point of the policy is that the job will be advertised in the north unless there's a business case for why it can't be there. Sometimes there are good operational reasons. It is working well and we are well ahead of the target.

**CHAIR** - I look back at the lack of progress of the Mineral Resources Tasmania, minister, you will remember that. You might capture a few earlier on but it's very difficult to move people. Does it seem easier in this area than at MRT?

**Mr BARNETT** - In this portfolio? I relished the opportunity to be minister for Resources as I relish the opportunity to be Minister for Primary Industries, Parks, Water and Environment. I am very grateful. We are way ahead of the game with 44 of the 100 over 12 months. You might say it's low-hanging fruit. More often than not, it is harder to find those last few. We are on track and we are ahead of schedule. I am pleased with the department's effort. I've been to Prospect and Stoney Rise a number of times. They are good operations but work needs to be done.

**CHAIR** - There is more work than needs to be done there.

**Mr BARNETT** - The capital it is \$2.4 million over the four years. There need to be some work to renovate and make those places available for the people. I will check with John if he can provide an update on how it is progressing.

**Dr WHITTINGTON** - While there is a lot of floor space, it is tired and not very efficient. Through this there is a good opportunity to freshen up the northern accommodation and that will not only benefit the additional people we are putting into the building - we have done the modelling and can fit them in - but it will also be a better balance of the staff there as we take the opportunity to bring the facilities up a notch from where they are currently.

**Mr BARNETT** - I was born and raised on a farm in Hagley and my Dad often visited Prospect officers in the 1960s, 1970s and 1980s. I went with him from time to time as a little boy and young man, and now I am going back there as the minister and, frankly, there has not been a massive change in the facilities. It is certainly healthy to have the renovation and upgrade.

I can give you an update of Tasmanian Game Council, the chair receives \$18 000 a year and the others only expenses reimbursed for their travel and other related costs for those sitting fees.

**CHAIR** - Who else is on the council?

**Mr BARNETT** - They are meeting there today. We can give the names, I am not sure if Daniele has that with her or we can get that back to you shortly.

**CHAIR** - The On-farm Energy and Irrigation Audit Program of \$750 000 over three years to provide subsidies to assist farmers to reduce their energy charges. Is this support more to give them advice or to finance some of the changes they may be able to make in terms of reducing their energy?

**Mr BARNETT** - Both is the answer. It is a very successful program, which is going really well, so well we have pulled forward some of the funding for the next financial year. I can give you an update of 2018-19 where over \$446 000 has been granted for on-farm energy efficiency measures through the On-farm Energy Audit and Capital Grant Program. To ensure the program can continue to benefit the agriculture industry, the remaining funding has been bought forward to 2019-20.

I am looking for the breakdown. We have the \$750 000 three year On-farm Energy Audit Capital Grant Program commenced in 2018-19. Looking for a breakdown in the Budget, I will check if the secretary has that breakdown.

**CHAIR** - I am interested in what sort of measures farmers have taken to reduce their energy consumption. Irrigation is a big component of farmers' energy costs - there are others, but I am wondering what measures have been taken and what the farmers have been supported to do.

**Mr BARNETT** - There are a number of energy efficiency programs. I was at Selbourne the other day with a farmer and his son and they had some solar panel installations to assist them. I will check with the secretary for a breakdown of the types.

**Dr WHITTINGTON** - The types of activities funded under the energy and irrigation audits scheme where efficiency gains can be demonstrated are things such as solar panels, irrigation equipment, building insulation and lighting. A range of things can be audited and provide information on activities.

**CHAIR** - Solar panels are useful if you have a big dairy or something and stick solar system on the roof and maybe offset energy costs to run the dairy and notional irrigation. Is this funding used to fund the installation of the solar panels? What is it to do?

**Mr BARNETT** - It is for both. It is for the audit and the capital, and the audit is quite popular. Is it two for one? I should mention this is funded through our department, but it is operated through the Department of State Growth. That is probably why the department doesn't have all that information. We are more than happy to get back to you and give you that information.

**CHAIR** - It would be interesting to know what things have been funded. Do you know how many individuals have accessed it?

**Dr WHITTINGTON** - The advice I have is that since the program was launched, and as at 30 April this year, there have been 88 applications; 60 of these have been approved for funding in excess of \$446 000. That was 38 audit grants and 22 capital grants. Thirteen applications valued at over \$160 000 are in the process of being assessed for next financial year.

**CHAIR** - What sort of quantum are we talking about with the individual grants?

**Dr WHITTINGTON** - I am going to take this on notice. As the minister explained, it is administered through the Department of State Growth.

**CHAIR** - So all of Energy is administered through Treasury, and this is through State Growth. It makes it hard to track, and we don't always have the relevant ministers.

**Mr BARNETT** - We can get that information for you; we will track that down. There is one more piece of information. The maximum amount of grant assistance available on the program is \$20 000 per applicant, which can be spread across an audit and a purchase of capital infrastructure. That is based on funding support from the applicant as well. I think it is two for one, but we will check that and get back to the committee accordingly.

**CHAIR** - While this is a grant, the farmers have to commit - say, if it's a \$10 000 grant, they have to put in \$30 000.

**Dr WHITTINGTON** - I am going to have to get the details.

## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - We will get back to you with the exact details, but it's going well because you get a buy-in, cofunding with the applicant. They appreciate the opportunity of government support to make their energy costs more efficient.

The audit program is going really well. I visited a farmer at Selbourne. They had some funding support for an audit and that helped them because they had a number of irrigators. That gave them advice on when to use the irrigators and at what time, and how to make them more efficient.

I should say, this also fits with our Farm Energy Advocate, which is based in Aurora Energy. The farmer can ring up the Aurora Energy Advocate and get advice and feedback on how they can be smarter in the way they use their energy. That is another way we are supporting our agricultural sector.

**CHAIR** - Is this \$750 000 included in the appropriation for this output group, so the money is here?

**Mr BARNETT** - Yes. The Department of State Growth is very good at administering grants and that is where it is administered.

**CHAIR** - You might need to ask State Growth in your comprehensive set of answers and looking around. What is the process of assessment of the grant? The reason I am asking this is that it wasn't that long ago the Auditor-General put out a report. He did an audit of some grants programs - I couldn't tell you what exactly they were for - in tourism and he found a terrible lack of compliance. I am interested in what the process is to ensure it is being appropriately -

**Mr VALENTINE** - Is it means-tested, for instance? That would be interesting to know.

**CHAIR** - Are there specific criteria a farmer has to meet except for the two for one, or whatever it is?

**Mr BARNETT** - We are more than happy to advise the committee accordingly. It is really important. They are very fair, reasonable questions that sit across a couple of government departments. We will get back to you and alert the committee accordingly.

**CHAIR** - With regard to the Putting the Land Back into Landcare initiative that commenced this current financial year and goes over four years, do you have a list of the projects that have been undertaken with this funding?

**Mr BARNETT** - Yes. I can help you with Landcare.

**Dr WHITTINGTON** - It is in output group 3.1.

**CHAIR** - Is it?

**Dr WHITTINGTON** - Yes. It's under the -

**CHAIR** - All right, we'll go to that one. We'll leave that for now.

**Mr BARNETT** - We've got some good news on Landcare though, that's really important. We've funded Landcare Tasmania and funded a range of grants under Landcare.

**CHAIR** - Yes, we'll get to that one.

**CHAIR** - A couple more from me. For the Taking Agriculture to the Next Level initiative, support for industry across dairy, red meat, horticulture, wine, hemp, apiary and organic agricultural sectors, can you give specific examples of support in each of those areas?

**Mr BARNETT** - There's a few questions there. Red meat - I think we've touched in this morning. I can recap on the red meat side of things.

**CHAIR** - I might have another question on that when you go that way.

**Mr BARNETT** - Yes, happy to recap on red meat.

**CHAIR** - Beyond this, is there more than that?

**Mr BARNETT** - Well, we've got a government response to that, which I can outline for you. In short, we have a million dollars in the Budget for red meat over the next four years. We have over \$600 000 for pasture and livestock improvement, which will assist the red meat industry in Tasmania. The response to the Red Meat Working Group report was to increase the capability and capacity of the smaller processors in Tasmania. An estimated \$800 000 has been expended for that thanks to the Minister for State Growth. Again, thank you to the Treasurer and Minister for State Growth for that support - for example, to Stowport and to Cradoc. The Devonport City Abattoir and TQM stepped in there in terms of pork and are providing a short-term continuation of processing of pork in Tasmania. These are very important investments.

**CHAIR** - So, minister, on red meat, and on pork in particular: I raised pork processing, and even the sheep processing, with the Treasurer in his role in State Growth with the Coordinator-General. We had quite a decent discussion with the Treasurer. I know there's a desire of at least one pork producer in my electorate - I'm not sure about the other major one in the state - wanting to access export -

**Mr BARNETT** - Export?

**CHAIR** - Export quality abattoirs.

**Mr BARNETT** - Yes.

**CHAIR** - I don't believe TQM's plan at this stage is heading that way.

**Mr BARNETT** - Not for pork.

**CHAIR** - Are you doing anything in that space to enable export facilities?

**Mr BARNETT** - That's a whole other ball game when you're talking about export for pork. That's a good vision to have, but on pork we've had to respond very swiftly with the Devonport City Abattoir response and TQM has stepped in there - it has an agreement with the Minister for State Growth, for which I'm grateful. Ongoing discussions are taking place with Scottsdale Pork, which is a small abattoir at Scottsdale. I'm not sure, I'd have to take that on notice about opportunities in export. I would doubt that because that's a whole other ball game. What we're trying to do is

provide opportunities for pork producers in Tasmania to access to a processing facility. The future of the industry is not so positive if we don't have that. That's why we've moved swiftly in the short term and medium term, and we have a longer-term vision. That's the short response.

**CHAIR** - Does your longer term vision include export?

**Mr BARNETT** - The longer-term vision includes downstream processing, value-adding and providing opportunity for our industry. We'd need to have ongoing consultation with key stakeholders. For beef and lamb, export is part of that vision going forward. But a fair bit of investment is required to deliver that. We're supportive of the industry as a government, and at the end of the day the private sector has to step up. On processing facilities, we saw no reason we should be compulsorily acquiring any processing facility based on current conditions. There are still risks and challenges for the Tasmanian red meat industry vis-à-vis we have two major beef processing facilities - Swift and Greenham's - and we want to support the long-term sustainability of both operations and any other operations that may come to light in due course. We're trying to work with the industry and we have done. I put on the record my sincere thanks to the Meat Industry Working Group, they've done a terrific job.

**CHAIR** - The question was, minister: does your vision include export quality abattoirs for pork?

**Mr BARNETT** - I know, but I cannot give you a yes or no answer other than to say we want to support the industry where possible. In terms of export for pork, that would have to be a long-term vision. I do not know how discussions are going with Scottsdale Pork at the moment. They are progressing, but how far towards export I do not know the answer.

**CHAIR** - Dairy?

**Mr BARNETT** - Over \$900 000 over four years. We have ongoing discussion with DairyTas we are thank full for that. The program is a grow more, make more and milk more initiative and we are working with the dairy farmers on productivity, farm business and value-adding strategies. Proposals for strategic projects have been received for DairyTas to undertake a suite of training initiatives to support dairy producers' focus on growing milk production and their farm business. The remainder of the funding has been quarantined for future dairy initiatives over the four-year period.

We have an ongoing relationship with DairyTas and a very positive relationship. I met with them at Agfest and it has been a very good result over the last 12 months for dairy in Tassie.

**CHAIR** - Any specific projects or initiative in relation to dairy you could point to?

**Mr BARNETT** - A new production record of 910 million litres was set in 2017-18. The answer is not yet, but we are in close discussion and engagement regarding rolling out a program.

**CHAIR** - What sort of program are you talking about.

**Mr BARNETT** - Building capacity within the dairy industry.

**CHAIR** - What does that mean?



## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - Building capacity within the industry, those who work within the industry - training, development, staff capacity, building management capacity building, how they operate their dairy and building capacity in the months ahead. Discussions are taking place between my department and DairyTas as we speak.

**CHAIR** - Are you talking about whether a particular dairy wanted to look to value add and/or expansion into a different aspect of dairy processing or is that something completely separate?

**Mr BARNETT** - It depends where the discussion/negotiations go between DairyTas and my department over the coming weeks and months.

**CHAIR** - You are effectively talking to the representative body, DairyTas, rather than dairy farmers? Is that right?

**Mr BARNETT** - We are dealing with DairyTas on this particular aspect of the development of skills training education which will build capacity for the sector, which dairy farmers will benefit from.

**CHAIR** - So including getting milkers and the like? It is one of the challenges farmers have getting people to turn up at 3.00 in the morning to milk.

**Mr BARNETT** - Yes, access to staff and skilled staff in those rural and regional areas is an ongoing issue. We are certainly cognisant of that and we will do anything we can in working with the industry and dairy farmers to help address those issues. We do not have a silver bullet and as the economy grows and we become a more sustainable state, we think those opportunities will improve. For example, we have a program to support young farmers to get into the market.

**CHAIR** - Into the market in terms of buying a farm?

**Mr BARNETT** - Yes, in terms of buying a farm with low interest loans and AgriGrowth loans. John might want to outline the loans scheme for farmers.

**CHAIR** - Are young farmers taking that up?

**Mr BARNETT** - Yes, we have some. I might ask the secretary or Danielle to outline how the program works and the uptake.

**Ms POIRIER** - I do not have the details of the loan scheme available to the young farmer scheme with me

**CHAIR** - Young being less than 60 perhaps? Farmers are not that young these days.

**Mr VALENTINE** - Less than 70 is young.

**Mr BARNETT** - Just outline what you understand about the loans program.

**Ms POIRIER** - It is access to concessional loan rates to access a loan to get farmers into the industry and begin their business. It came subsequent to the AgriGrowth Loan Scheme that was already in place and it was then announced after that to extend that to young farmers. I can get some more details on that program.

**CHAIR** - Does it actually help them to buy farms? That's a pretty big ask. Most of the farms would be out of a young person's reach at the moment. Can that also be used to buy a new tractor if they are on a farm, for example? Are those the sorts of things that it's used for?

**Dr WHITTINGTON** - The AgriGrowth Loan Scheme provides loans from \$100 000 to \$3 million to fund projects that otherwise could not be brought forward under the current normal banking arrangements.

**CHAIR** - You probably can find a farm for \$3 million if it's not too big?

**Dr WHITTINGTON** - Yes. Loans up to \$3 million for eligible agri-food farm businesses, operating in Tasmania. Generally, loan amounts of less than \$100 000 are not considered under the scheme, so it is at the larger end. Loan amounts to be considered are up to 80 per cent of the recognised valuation of a freehold asset.

The maximum loan term is normally up to five years. Longer terms up to 15 years can be considered in specific circumstances. The variable concession interest rates apply in the order of about 3.5 per cent per annum as at 18 June.

**Mr VALENTINE** - I am assuming it's not for people who would naturally progress through to a farm. If you have intergenerational farming and -

**CHAIR** - You still have to buy the farm from the parents.

**Mr VALENTINE** - Yes, you have to buy the farm from the parents, but is there any means testing?

**Dr WHITTINGTON** - There are a range of eligibility criteria. There is a considerable number of those. I can get you a package of those, but there is a range of criteria for the ability to undertake a loan.

**Mr VALENTINE** - What I am getting at is that it's not corporate welfare?

**Dr WHITTINGTON** - No. The other question was about the Young Farmer Support Package. That is to be read in conjunction with the AgriGrowth Loan Scheme. The question was around age. A young farmer will generally be no more 45 years of age, to answer that question.

**CHAIR** - I thought it was about 20 years of age. It is helpful to understand what opportunities are out there. In my electorate particularly, you get a lot of people looking for avenues of support and it's not always easy to find them. I don't know how other members find it.

With the number of requests for assistance from the rural sector, because that's pretty much my electorate, it is helpful to have information about these schemes and loans and other opportunities.

**Mr BARNETT** - Yes, it is helpful. It's something I have discovered since being minister, that a lot of people aren't aware of the AgriGrowth loans.

I think you've touched on a point. That's something that we can probably do more of and improve - education and awareness of the access to those loans. I should say it goes again through State Growth as the department that administers the grants program.

**CHAIR** - Pushing the information out there.

**Mr BARNETT** - Yes, and that might be one reason, but that's a fair call. It's something I can take on board.

**Mr VALENTINE** - Is there a location on the state Government's website that points directly to all of these loans?

**Mr BARNETT** - Absolutely. The AgriGrowth Loan Scheme is on the Department of State Growth's website and I assume there is a link from our FarmPoint, which is our one stop shop that I launched six weeks ago on the north-west coast. You can go to FarmPoint and then drill down through the department website through to the Department of State Growth. It is there; it's on both websites. You can get the criteria and the information about that, and Dr Whittington outlined some of those terms and conditions.

**CHAIR** - When you are dealing with farmers - Rob referred to the intergenerational farmers who come from backgrounds and haven't always had the best education - I say that in the nicest possible way. They get into FarmPoint and they might do that, but to see State Growth, what is that? I want to know about farming and it could be a bit of a branding issue. It's not easy to find.

**Mr BARNETT** - It's a fair point, and let's be blunt. Some people don't have the internet; they don't use it and perhaps some are farmers. We have AgriGrowth liaison officers around the state in the north, north-west and the south. They are real people who get out and do the work. We have \$860 000 over four years to create those two new AgriGrowth liaison officer positions in the north of the state. That's combined with a phone helpline service, which provides easier access to a single point of contact for primary producers communicating directly with government.

We also have the \$50 000 for FarmPoint. It's a one stop shop for farmers and that's on the website as well as smartphone access to DPIPW's information service. You can use the phone, you can use the internet and there are real people to talk to. I'm not saying that's solving all the problems; we have more to do in education and awareness. We are investing to put that information out to farmers and the farm community.

**Mr GAFFNEY** - One of my best friends is a farmer and he tells me that when he has to change irrigators, he goes out to the car and presses a few buttons, and it's done. Many in our farming community are very switched on but I acknowledge that gap. In my municipality, it's not the small farmer any more, especially the Mersey area - it's the bigger farms that are very aware of this scientific technology and how to run their farms.

**CHAIR** - They've had to be.

**Mr BARNETT** - I totally agree with smart farming. I mentioned TFGA using spatial information. They do a terrific job of making information to farmers as to what, when and how they can grow and what sort of crops to use. Invitec Pivot Fertilisers is being clever about when and how much water to put on, and if the soil moisture is extensive, you have to respond accordingly. It's smart farming.

**CHAIR** - There are some other areas we haven't touched on - horticulture, wine, hemp, apiary and organic. Do you have -

**Mr BARNETT** - I have and I'm so pleased you asked. Horticulture is going well in Tasmania. They've had their challenges, as you know, with fruit fly. We are backing the horticultural market, trade and those initiatives with \$550 000 through Fruit Growers Tasmania. They do a very good job and we are collaborating with them toward marketing and export opportunities for cherries and a range of fruit and horticultural products, as well as adding value to their products and farm productivity. The department has finalised an agreement with Fruit Growers Tasmania over the coming years to support their marketing, export and development.

We have allocated \$600 000 over four years for Wine Tasmania toward wine market development and opportunities promoting wine tourism. This is fantastic for Tasmania. We received another gold star and international recognition for wine tourism. People love coming to Tasmania and going to cellar doors, and we have some funding support to help promote that. It's recognised but we want to build on and leverage what we already have.

**CHAIR** - Do you provide any support to Effervescence?

**Mr BARNETT** - This goes through Wine Tasmania; Sheralee Davies is the Chief Executive and Martin Rees is the Chair. I've met with them. They do a good job promoting this program to wine growers around Tasmania. We have a premium reputation in Tasmania. We also have initiatives in vineyard productivity research and providing small business skills and support to wineries. Did you mention honey?

**CHAIR** - Hemp and honey, but not served together.

**Mr BARNETT** - Honey has been very challenging. I have worked closely with the Beekeepers Association of Tasmania. We have responded to their concerns-

**Mr VALENTINE** - Are they happy?

**Mr BARNETT** - They are pretty happy with the Government's response. I responded immediately to the problems they had with forgoing licence fees to the Department of Parks and Wildlife and crown land. Likewise, I spoke with Hydro Tasmania and they and Sustainable Timber Tasmania have forgone their fees. That support covers those costs for the next 12 months. This helps them in this very difficult time because they have had one of the toughest seasons across Tasmania. The fires affected them in part but it was a tough season.

**CHAIR** - There wasn't enough food for the bees?

**Mr BARNETT** - That's right. They say there was up to 80 per cent reduction in turnover in some parts of Tasmania. We have a bee industry report. We have done work with the industry. We have funding support for capital and revenue of \$750 000 over a three-year period. That is implementing the bee industry report, including \$500 000 for selected infrastructure upgrades to improve resource access, ensuring access to the honey and those places -

**CHAIR** - They used to rely on a lot of the forestry roads.

**Mr BARNETT** - Yes, in the past and they still do, and also in Parks and Wildlife areas, regional reserves, conservation areas, crown land and Hydro Tasmania. Access is part of the solution but it is not the only solution. We have also responded to their request with support for an industry development officer, or words to that effect. We have responded to their queries. They have written back and accepted my offers to support them. We held a crisis meeting a month or two ago, and I was well supported by the department. I have listened and responded accordingly and, if you talk to the Beekeepers Association, they will indicate they are pleased with the Government's response. That doesn't mean it is going to solve all their problems. Helping them through the winter and finding enough food for the bees is very challenging. We have funding on the table for them to access, as appropriate, within terms and conditions.

**Mr VALENTINE** - It absolutely essential they survive, isn't it?

**Mr BARNETT** - It is.

**Mr VALENTINE** - They underpin agricultural cropping and more.

**CHAIR** - Horticulture is dead without them.

**Mr BARNETT** - You are quite right, it is both honey and pollination. It is important for horticulture and agriculture and that is why we are supporting them with that funding. Crop pollination and ongoing access to bees is really important to our future.

**CHAIR** - We are up to hemp and organic.

**Mr BARNETT** - We have quite a few hemp initiatives. I thank Jeremy Rockliff. He started many of these and has definitely delivered for agriculture and primary industry, as has Sarah Courtney, my predecessor. In 2018, we committed \$150 000 over three years to the Hemp Association of Tasmania toward grower communications, product development, marketing and branding to support further growth in industrial hemp. In 2018-19, the hectares committed to industrial hemp have nearly trebled on the previous season, with an expected farmgate value of \$1.9 million.

You can see there's definitely an upside there. So, the past year has seen increased private investment in the Tasmanian industrial hemp industry, including dehulling facilities, increased drying and grading infrastructure, and oil processing facility. A new seed contractor also entered the market this season and has plans for further expansion in 2019-20.

**CHAIR** - Do you provide some support for these sorts of initiatives?

**Mr BARNETT** - It's through the association, the Hemp Association of Tasmania. So, \$150 000 goes through that and then we provide that support.

**CHAIR** - All right, okay.

**Mr BARNETT** - The department is certainly hands-on, but we try to get to the people that know that they need it, and how they need it. So it's practical support that's being provided. I think I know where you might be going, but it is true, the desire of those within the industrial hemp industry is to be able to sell hemp straw as garden mulch. That's a key - what you call value-adding. Not so long ago I met with Tim Schmidt on his farm, in his hemp field, and he explained the

importance of that to the industry going forward. It is part of their future plans to grow and provide more value-adding downstream processing to the hemp sector in Tasmania.

**Mr VALENTINE** - And also building product?

**Mr BARNETT** - It's building product. It's a product that they're not allowed to at the moment in terms of using it for garden mulch. It's just -

**Mr VALENTINE** - No, but you can make - sorry; I think I was probably mistaken - you can actually make bricks out of it. It's very insulative, and there are lots of - well, yes; they would expound its virtues to you, I'm sure, but -

**Mr BARNETT** - Yes, and they do. They're very strong advocates, Tim Schmidt in particular who is president of the association and doing a terrific job on behalf of the association. So, I take my hat off to him. I can tell you in terms of 2018-19 growing season there were 49 licence holders who planted industrial hemp crops, compared to 35 the previous year, an increase of 40 per cent. So, we've gone to 1361 hectares committed to industrial hemp compared to 464 hectares in 2017-18, a threefold increase. I can give you more detail on that if you're interested, but it's quite a promising part of agriculture. There's more work to do. We have to work with them in terms of being legal and doing it -

**CHAIR** - Can we come back to the legality side of it under another line item, and the security of it?

**Mr BARNETT** - Yes, sure.

**CHAIR** - I just mean the initiatives that help get the industry going.

**Mr BARNETT** - Yes. Well we've got funding to support them, and we're try to provide practical support. That seems to be working. I've been out on the ground with the farmers and I appreciate the opportunity, and they're doing a good job.

**CHAIR** - So, support for the organic -

**Mr BARNETT** - Organic? Yes.

**CHAIR** - - agricultural sectors?

**Mr BARNETT** - Yes. Well, that's very -

**CHAIR** - Which are across the board.

**Mr BARNETT** - It is. So, organic is important, not just in dairy but across the board, as you've indicated, Chair. There's increased value coming out of organic certified product. In order to support the development of a high-value industry, this Government has allocated \$230 000 over four years to work with the peak bodies and help farmers, producers and agribusiness food businesses interested in transitioning to organic production methods with certification and market development. We've got quite a lot of initiatives there to support that with funding, \$230 000.

Initial consultation with peak industry bodies has taken place, and a program for allocation of the budget commitment is currently being developed with a view to delivering maximum benefits and growth for organic production. We've got a way to go. AgriGrowth Tasmania is working on that as we speak. We've got DPIPWE and FarmPoint websites providing central points for certification and production information, making it easy for farmers to access that information through that one stop shop, which I'm quite excited about. Just to push it again, FarmPoint website. Producers, processors and others can access that information so that they can progress their organic plans for organic production and processing.

**CHAIR** - Minister, from your point of view what's the premium price associated with products that are organic, as opposed to non-organic?

**Mr BARNETT** - There's a cost to start with for those that are producing, whether it's dairy or otherwise. We've probably read about it in recent weeks and months. They would not be investing that money, those producers, those business people, unless they can get a premium price. My understanding is, and I'm not an expert, but as minister I'm broadly aware that you can get a premium price, whether it's in the local domestic market or overseas.

We have entities like Bellamy's Organic that are larger entities in Tasmania and they are targeting that premium price in places like China and Asia. Then you have smaller operators - I think it was in the papers last week that a dairy operator was operating an organic dairy and getting a premium price as a result. There is an investment involved. There are terms and conditions in terms of how you operate your business. There are opportunities. There is a lot of upside. In terms of a Tasmanian brand, it can help support promotion of the Tassie brand.

**CHAIR** - Minister, it wasn't that long ago that there was great scepticism about organics in Tasmania and a lot of it surrounded the debate around GMOs. When we had the review back when David Llewellyn was here and chaired that committee, whatever year that was, there was a lot of scepticism about organics and about the value and the premium price, even though you are acknowledging the additional cost of production. Some would argue it is not as great as some might say or might expect. Your view now of the future of organics, do you think we should be investing a bit more if there is a premium to be made? As you said, and I agree you, that it fits well with our image.

**Mr BARNETT** - Yes. There are two parts to that question. First, on the GMOs. I announced the review some months ago and that has recently concluded in getting submissions. They are being analysed and reviewed so the Government will have to respond to that inquiry and that report.

**CHAIR** - When do you expect that to be finalised?

**Mr BARNETT** - That is a good question. I can give you a heads-up that the submissions are in. It is being analysed. I can say that we need to make a decision before November this year because of the moratorium. My hope is that in coming months we will be in a position where we can release our report and findings and the Government's response to that.

**CHAIR** - An opportunity for public input, is there?

**Mr BARNETT** - Absolutely.

**CHAIR** - Once you have released your review, is there an opportunity?

**Mr BARNETT** - That will be decided at the time. I haven't made a final view on that. We will have had a broad and open public consultation getting that feedback. A decision for the Government will be based on the feedback and consultation we have had. I get consultation direct to me as well, and I am sure do other members of the Government.

I should make it clear that previous reviews have been held. There was no reason for the Tasmanian moratorium and the Liberal Government position has supported that moratorium in the past so new evidence would need to be put to the Government. We will assess the arguments and the evidence and then make a decision. I am advised we have had 76 submissions to that inquiry.

**CHAIR** - Who is undertaking the inquiry?

**Mr BARNETT** - It has been undertaken by the department. I announced it about six or eight weeks ago. I will check the terms and conditions.

**CHAIR** - It is within the department?

**Mr BARNETT** - Yes. That is my understanding so I will check if Danielle or John would like to add to it.

**Dr WHITTINGTON** - We are doing the review for the Government. It is being coordinated through AgriGrowth.

**CHAIR** - Are you publicising the submissions? Are they on the website or not yet?

**Ms POIRIER** - My understanding is they are on the website.

**CHAIR** - I haven't looked recently, obviously.

**Mr BARNETT** - In short, we have to legislate by November so it is not going to take that long. In coming months, the Government will respond. It will be open and public. We will get feedback for sure. We will need to legislate if we want to continue the moratorium.

**CHAIR** - The reason I am asking about this is I know there needs to be legislation and the legislation has to be dealt with before the end of the calendar year, and the public is not informed of the Government's position on this. Let's say the Government formed a position that they should lift the moratorium - I am not saying that is what you are going to do - I am saying if you did, you would need to give other members of parliament, like the Legislative Council for example, time to fully allow people to have their say and consider our decision on that.

I am talking about the time frame here. That is why I am interested in the time frame.

**Mr BARNETT** - Fair comment. I assure you we are taking it very seriously. That is why I have wanted to get public input and feedback from key stakeholders. They are entitled to that. It is a five-year moratorium that is coming to an end. We've got that going and we've got the feedback.

**CHAIR** - It is the time lines I am interested in.



**Mr BARNETT** - Yes, time lines. I will be acting as swiftly as possible to allow everybody to have a view and we have enabled that through the inquiry process.

**CHAIR** - Have submissions closed yet?

**Mr BARNETT** - Yes, they have closed.

**CHAIR** - What is the expected time frame for a report from the review committee?

**Mr BARNETT** - All I can say is in the not too distant future. I can't give you exact weeks or months. I'm with you. We are on the same page. We want to respond. We have to analyse the submissions. There are 76. The department is analysing those submissions and it is happening as we speak. There is a lot of work for my officers here to do that.

There is work that has happened at a national level, as well, and in other states to inform the review process, so we have to take that on board. The department will come back with a report and recommendations to the Government as a cabinet, and the Government will need to consider that carefully.

In the past we have supported the moratorium, and the continuation of the moratorium. There are arguments why we did that, which includes the importance of the Tasmanian brand. The Premier, for example, was in Japan some months ago on a trade mission and this was raised with him.

**CHAIR** - I am sure it was.

**Mr BARNETT** - He is very cognisant of that, and the benefit of having that moratorium in Tasmania was raised as part of the Tasmanian brand, and that helps us in terms of our export and marketing side of things.

We have to take all of that into account and then respond.

**Dr WHITTINGTON** - To confirm, the submissions are on the website, the 76 submissions?

**CHAIR** - Thank you. Minister, with regard to organics and the premium and there was a view that there was no future in organics really, it was a bit of pie-in-the-sky, and people wouldn't be willing to pay premium. What is your view on organics?

**Mr BARNETT** - I have a view that it is an important part of agriculture. It is an opportunity and Tasmania's ahead of the game in so many ways, particularly in the energy space as we have talked about, in terms of having low-cost reliable clean energy by 2022. I see that as part of the Tasmanian brand. We have access to a world-class water resource, we are using it wisely and cleverly. Organics is another area where it is an important part of agriculture, it is not to be underestimated and it's growing in importance.

**CHAIR** - One quick question before I go to the next line item. I had a representation from a constituent a little while ago who is involved in agriculture, and also considers the issues around transported goods to and from his property. He has raised concerns about the strategic fuel reserves to enable agriculture to continue their work.

**Mr BARNETT** - Strategic -

**CHAIR** - Fuel reserves, like diesel. There are a lot of things on the farm that require diesel or fuel of some sort.

He was raising a question from your perspective as Minister for Agriculture, is this a matter that is of interest or concern to you? This again crosses across portfolio areas, there is no two ways about that. Do you have any insight or view on whether the state strategically does store enough fuel to enable the agricultural sector to keep going?

**Mr BARNETT** - I am pulling on my memory strings now as minister for Resources when I was in that role. I have not been in that role for some time. Certainly strategic access to those resources is important to Tasmania. It has been in the past, and I am sure it is at the moment and will be in the future.

We are an island state. We require transport, as in shipping and air transport, to Tasmania for our goods and services including fuel, so diesel is obviously a key part of that for industry and farming communities, agriculture likewise. It has been, I am sure it is now, and sure it will be in the future. I am happy to try to get more information.

**CHAIR** - I am wondering whether there is any insight as to how much strategic fuel is stored on the island to enable the state to keep ticking. It is a bit more of a whole-of-government thing than only agriculture.

**Mr BARNETT** - It is more a whole-of-government, and it is department of Infrastructure in particular, but also the department of resources as well, because of mining and mineral processing and access to fuel. I mentioned earlier in my energy portfolio the importance of gas, and I am very confident about access to gas, and we have locked that in in legislation these past few months ago. We are tracking well there. I haven't anything further to add other than to say it is a very important matter that the Government takes seriously.

**CHAIR** - I might ask the question through the Legislative Council because maybe it has to go to a number of areas. He was asking from an agricultural perspective, but it flows across emergency services and a whole lot of areas.

**Mr BARNETT** - It does but it is important we take it seriously and it is a whole-of-government approach. I appreciate the question.

**Dr WHITTINGTON** - A couple of things came up that I have information on. Across the Energy Audit Program, the audit component of the program, two-thirds of the cost is paid by the Government and it is typically under \$2000, with the balance paid by the applicant. The funding ratio is 1:1 for the capital component.

The process is that the audit is undertaken, which assists in getting a grant to implement the actions recommended from the audit. It is a two-step process, which makes sense. The applicant has six months to complete the work. Funding is on a reimbursement basis.

On the Game Council membership, the chair is Greg Hall; then there is stakeholder-based representation: for hunting and game management - Andrew Winwood, Don Riddell and Scott Freeman; for commercial farming and grazing management - Louisa Street, Don Jones and Alastair

Cameron; from the deer farming sector - Anthony Archer; from NRM - Jim Wilson; from private land conservation - James Hattam; from public land management - Jean-Paul Morice; and from the associated meat processing and value-adding - Anthony Gibbons.

**CHAIR** - There is a bit of a lack of gender diversity - it's a bit like the department by the sound of your earlier comments.

**Dr WHITTINGTON** - We've improved significantly in that area.

### 2.2 Marine Resources -

**Mr GAFFNEY** - Minister, you'd have to acknowledge this is very important to Tasmania both as an industry and a food source, but also it's of concern from an environmental, social and community aspect so perhaps we need to touch on all those within this line item. To start with, I am interested to know about the Blue Economy Cooperative Research Centre's investment of \$200 000 per annum over 10 years to support the University of Tasmania for its work in collaboration between a whole range of people. How is that measured and how do they report back? How is the effectiveness of that group and that money measured, who do they report back to and who takes a lead role in that coordination?

**Mr BARNETT** - A very good question. This is an incredible opportunity for Tasmania. It has been on the drawing board for more than two years so great credit goes to the University of Tasmania and other key stakeholders that have led the charge. The state Government has supported it. I have supported it in my role as Minister for Primary Industries with seafood and aquaculture, and then likewise as Minister for Energy in terms of renewable energy. The whole point of the Blue Economy CRC is to support marine development and opportunities in marine science, seafood and salmon and the like, and likewise renewable energy in the Southern Ocean. It will be based at the Australian Maritime College in Launceston. It's \$328 million over a 10-year period, so ours is a small commitment financially, but we have backed it to the hilt.

I have been so pleased and proud to be part of the team that has lobbied the federal government, which has committed \$70 million over that 10-year period. I met with Karen Andrews, Minister for Science and Industry, and put forward the views of the Government and the position of Tasmania. We have been very successful in gaining this for the state.

There will be huge benefits for Tasmania in the years to come, particularly in research and science, PhD students and researchers. Eleven countries are represented and they all have input and a financial input as well as hands-on input as part of the Blue Economy CRC. Obviously a whole range of Tasmanian entities, including the three key salmon entities, and New Zealand, in particular, China, a whole range of stakeholders. I met with the vice-chancellor a couple of weeks ago. We will have close contact with the University of Tasmania through my department. We have a person in the department who will be the point person for and on behalf of the state Government who will be connected with the key stakeholders. It is meant to officially start on 1 July this year. There is a lot of hard work to do before then. They are in the process of agreeing to the terms and conditions on the governance arrangements around the Blue Economy CRC.

Every CRC is different. This is obviously relating to marine science and marine opportunities, marine development, marine farming, renewable energy. The upside for Tasmania is fantastic. You are going to get all this resource of knowledge and understanding and expertise. It is going to be based in Tasmania at the Blue Economy CRC. In terms of accountability, on behalf of the

Government, I will be watching it very closely. We also have State Growth on the energy side and then on the primary industries side, through John and the Department of Primary Industries and Water; we will be working closely with the key stakeholders. Did you want to add anything?

**Dr WHITTINGTON** - The way the CRC is structured is a company will be set up with a board. We will be a member of the company. We will have that line of sight of governance directly through the approach.

**Mr GAFFNEY** - You probably are aware that the members for Murchison and Huon recently organised for many members of the Legislative Council to tour Petuna, Tassal and Huon, so a range of questions may be asked across the board here. The media angst of two years ago was much greater than it has been of recent times, but I will ask the question.

Funding for marine resources is set to decrease in 2022-23. A footnote on page 256 of budget paper 2, volume 1 explains this is due to -

a decrease in funding for the Abalone Industry Development Trust Fund, Improve Catch Opportunities - Fish Aggregation Devices and Support TARFish initiatives.

Why are these programs noted for a funding decrease? I realise some of them may have completed their term, but is there no need for that funding to continue? Why is that decision being made now?

**Mr BARNETT** - We have \$13.8 million in our Budget for the seafood sector. We are supporting a whole range of areas. The Abalone Industry Development Fund is \$200 000 over four years. We have the Abalone Industry Reinvestment Fund, which is a little over \$5 million over a five-year period. We are working very closely with the abalone sector to support it. In terms of the funding, I might just ask John if he can address that.

**Dr WHITTINGTON** - The things you describe in the main were election commitments and they are time-bound funding commitments. That is why they drop off in the last year of the forward Estimates. The four years will be up, so I made the assumption the Government will be reviewing the need for those programs as we get close to it.

**Mr GAFFNEY** - Yes, that is what I was thinking. I just wanted it on the record. I refer to budget paper 2, volume 1 which says that funding was committed to the orderly and sustainable development of the Tasmanian marine farming industry. Page 234 states that this -

Output also includes advice and direction to the Institute for Marine and Antarctic Studies to assist aquaculture and fisheries research.

Does the Government coordinate with any of the three marine farming companies - that is, Tassal, Huon Aquaculture and Petuna- on how the funding for marine resources is spent? If so, how is that process undertaken? You have this marine farming industry. How are the three players involved in making best use of that funding?

**Mr BARNETT** - A very good question. We have the head of the department's marine farm section of the department, Fionna Bourne, here. Perhaps Fionna could address that question. John will start.

**Dr WHITTINGTON** - IMAS is a joint venture between the university and the state Government, which contributes to IMAS. I am on the board of IMAS and we have direct input into the portfolio of research of IMAS. Sitting within IMAS is something called SMRAC, the Sustainable Marine Research Advisory Committee. Fionna chairs SMRAC. Through both my role on the board and Fionna who chairs that particular group we get to shape the research portfolio. Fionna can speak about how SMRAC works.

**Ms BOURNE** - SMRAC is a joint department, university and industry committee. There are representatives from TSIC, TARfish is on there as well, along with the university, the Abalone Council and some others. We have regular meetings throughout the year to frame the research agenda. There is the core group funding that supports our sustainable fisheries. It talks about our stock assessments and management. There is more leveraged funding which is aimed predominantly at various needs along the way. The salmon industry is one of those needs. We get fed in around some of their priorities and that gets balanced along with the other priorities we have for the other parts of the wild capture sector.

**Mr GAFFNEY** - I am interested in how that relationship gets fed in because it was quite public. There was angst between two or three of the salmon producers. Do you work individually with representatives from them, or do they come collectively as a group to feed in what their issues are and how to manage that?

**Ms BOURNE** - Beneath the CMRAC committee there are what we call research advisory groups set up by sectors. The salmon industry has a research advisory group that meets regularly. It is a combination of industry representatives, departmental representatives from the marine resources element and from the EPA. They have discussions and frame what their research priorities are for the year. When the research advisory group gets together, they agree what their priorities are for the year and that gets threaded into the system and into discussions with IMAS on how they can meet those research priorities through our joint venture.

**Dr WHITTINGTON** - I might add that as an agency, we range across a whole range of issues, whether it is research or others. We work individually with the companies when it is appropriate but we also work closely with the Tasmanian Salmon Growers Association - TSGA. Where it is something that is industry-wide, and a research agenda might be a good example, we would generally work through the TSGA. Where it is a company-specific issue, we will work directly with the company.

**Mr GAFFNEY** - It says one of your primary policies and plans for Tasmania wild fisheries is to make sure that both the commercial and recreational fishing are sustainable. There are times when those two seem to be not as close to each other as we would hope. At the last election we had candidates standing specifically on that industry. We have been heard details about how the actual companies are going about their research, how they are exploring and what they are trying to do. What we have been shown compared to what we read in the media is quite a different story. Do you have a role in the process of getting the correct information out to the media?

**Mr BARNETT** - We have a very important role as a government; the industry has an important role also and I am pleased the Tasmanian Salmonid Growers Association - TSGA - has been rebuilt in more recent months and the last year. It is being more proactive in education, awareness, the importance of a sustainable fishery, a sustainable salmon industry and that is something the Government strongly supports. Feel free to talk to them directly.

We are proud we have a sustainable growth plan for the salmon industry. It is worth about \$850 million to Tasmania every year. It is actually the largest sector in the primary industry area in terms of output for the economy, which is very encouraging. We have plans -

**CHAIR** - You mean currently or when the growth?

**Mr BARNETT** - Currently, it is \$850 million which is significant out of the \$2.6 billion. I advised a 9 per cent increase, which is a good increase. The sector is \$850 million, red meat sector is \$400 million. They have a role to play. We can all do better, quite honestly with education and awareness to ensure the facts are put out into the community. As minister, I am very keen to promote and support better education and awareness of the facts rather than myths in the community. We are heading in the right direction. There has been in the last 12 to 18 months a calmer approach; occasionally there will be a dispute here or there. We want a sustainable industry in commercial and recreational and we are proud to support both.

**Mr GAFFNEY** - Debris and environmental damage from marine farms have surfaced recently -

**Mr BARNETT** - Washed up.

**Mr GAFFNEY** - It has been reported in the ABC that the revenue recoup from fines has been minimal and they suggested the reason is a lack of enforcement or result of compliance by the aquaculture industry. Seven fines were issued with a total of \$4075, and MAST since 2017 has had three infringement notices of \$1956. The community says there is considerable marine and environmental damage. Are the fines severe enough, are they being followed up, and how do we allay the fears of the community that some of the damage experienced in those waterways is being correctly monitored and, if found, the perpetrators are punished appropriately?

**Mr BARNETT** - You have raised some good points and issues. It is an issue for some in the community, absolutely, we do not deny that. Based on the notifications and the infringement notices five from MAST and one from DPIPWE, six infringement notices, I would suggest the actual system is working. It is important we have a policy of zero marine debris, zero tolerance, and do not want it. Interestingly, the TSGA, the industry body association, is proactive with an app hotline for reporting marine debris. This has gone live; information reported goes directly to MAST and the salmon company closest to the debris so it can be removed as quickly as possible. The TSGA is being far more proactive, particularly in the last six months on this. I say thank you to them. It was necessary. To their credit, they have responded and are being far more proactive in educating the public. Their members are being proactive in responding to the marine debris issue.

Yes, a number of infringements have occurred and those notices are being issued. Active investigations are currently being conducted, I am advised by the DPIPWE marine farming branch, and in relation to some of the more recent marine debris, there have been notifications. In the last calendar year, a total of four infringement notices were issued as a result of the policy. I am happy to check with John and Fiona if they want to add any more to that. You have raised an important issue but there is also a positive important response flowing out as we speak.

**Dr WHITTINGTON** - I might add to what the minister has said that I absolutely know the companies are taking this really seriously. As a public company, getting an infringement notice is

something that is reportable to the shareholders, so while the monetary penalty might not appear much, the consequences for the company are very large. They are definitely taking it seriously.

As gear is being replaced on farms, it is being colour-coded. One of the difficulties with marine debris is: whose is it? First off, is it to do with salmon farming or not? A lot of black pipe is irrigation pipe, it's all sorts, it's nets from all sorts of places, so the companies are very good in that they run organised clean-ups around their areas, and they don't not pick up other people's rubbish. They will pick up everybody's rubbish, but colour-coding is going to help with being able to sheet back home where the actual debris has come from, and that's all part of the things the companies are doing to improve their game.

As the minister says, there is zero tolerance for marine debris. The other thing we all have to recognise is when you have unusual events like the massive storm we had, things do break, so -

**CHAIR** - Sometimes boats wash up, too.

**Mr BARNETT** - It's not just salmon farming. We should make it very clear, as you say, there's yachts and boats and other fishing debris. Things do happen.

**Dr WHITTINGTON** - Yes.

Zero tolerance is about working with industry to have an aspiration that no debris will come off site, recognising that these are extremely energetic environments and things can happen. That's the process we are on.

Certainly, from my perspective, the companies are taking this really seriously; they take their social responsibility seriously in this space.

**Mr GAFFNEY** - We could probably agree with that because when we ventured out and looked at a lot of different plants and processing and their farms, it is interesting how each of the three companies are dealing with it differently. They put their priorities where they think they are important - both in the expansion of their business, but also in how they protect it, and how they care for the environment. I was very impressed. I know others were as well. The member for Murchison organised a lot of that, as did the member for Huon. It was a really good six or seven days.

**CHAIR** - Following from that, I facilitated a meeting between one of the companies and individuals to try to have a discussion. It is amazing it all worked. It wasn't easy.

**Mr BARNETT** - I have met with them too. All sides.

**CHAIR** - In the same room?

**Mr BARNETT** - Not in the same room, no.

**CHAIR** - Those sorts of things need to happen. In terms of the breaches, I have a number of people in my electorate, and I am sure some members in these areas, where the fish farms are having genuine and real concerns. In terms of the breaches and the fines that have been issued and the ones that are under investigation - what is the breach they are being investigated for?

**Mr BARNETT** - Marine debris -

**CHAIR** - Is it all marine debris?

**Mr BARNETT** - I will check through Dr Whittington if we have more information on that.

**Dr WHITTINGTON** - A range of offences could come into play here.

**Ms BOURNE** - By and large, marine debris is an offence under the provisions of having gear outside the lease area, and that is a breach of the Marine Farm Planning Act, and so they are investigated for having their gear out of the area and an infringement notice is issued accordingly.

**CHAIR** - Is that what all these ones you referred to relate to?

**Ms BOURNE** - Yes.

**CHAIR** - I think the Environment department is responsible for the breaches in terms of compliance with oxygen levels and waste and other things. We are not in that space here. This only relates to marine debris. Are there other breaches that can be followed up through this area?

**Dr WHITTINGTON** - To clarify the answer to the last question, and Ms Bourne, you are going to have jump in and help me here. Absolutely the BPA is responsible under the Environmental Management and Pollution Control Act - EMPCA -for the environmental licence and any breaches against the environmental licence. There are also environmental conditions held within the marine farm plans and the licences administered by Marine Farming, so the answer is that it depends -

**CHAIR** - It depends on the breach.

**Dr WHITTINGTON** - Yes, on the breach. Some environmental matters do come under the remit of Ms Bourne's group. Others, if they are associated with environmental licence, come under the remit of EMPCA and the EPA.

**CHAIR** - What environmental matters come under your remit?

**Ms BOURNE** - Environmental matters under our remit are those environmental matters that relate to non-fish species. We are the environmental regulator for oysters, mussels and those things, as well as seaweeds and others - so they sit within our marine farm licence.

**CHAIR** - Environmental breaches on an oyster lease would be yours?

**Ms BOURNE** - Yes.

**CHAIR** - Have there been breaches in relation to those other non-salmon farming, we are talking about the other shellfish basically -

**Ms BOURNE** - And seaweed.

**CHAIR** - Have there been environmental breaches in any of the leases you are responsible for?



## UNCORRECTED PROOF ISSUE

**Ms BOURNE** - Not this calendar year that I am aware of. The issue around marine debris and what we are investigating is predominately around salmon farms.

**CHAIR** - In terms of the ones that have been investigated, I know the [inaudible] is only just starting, isn't it?

**Ms BOURNE** - Yes.

**CHAIR** - Has it been relatively easy to identify where the debris has come from? Is this a part of the problem here, and that's perhaps why fines haven't been issued? We don't know who it has come from?

**Ms BOURNE** - In some instances, if we can't identify who the debris belongs to, we can't obviously issue a fine. There have been some instances where we have been able to identify who is the owner of the debris, and then they clearly have been fined. If we have not been able to identify the owner, we can't issue an infringement notice. We obviously ensure that debris is removed from the environment so it is no longer causing a safety issue.

**CHAIR** - The department removes the debris?

**Ms BOURNE** - No, generally the debris is usually removed by the salmon companies, or the closest farm operator is often the one who will go out and remove it, because it's not in anybody's interests that there is a safety issue. The closest available people will go and remove it.

**Dr WHITTINGTON** - Again, just going back to that storm event that ended up with gear on Kingston Beach and the like. We're sensible in the application of an infringement notice, so if something is completely beyond the ability of somebody to control, we treat it quite differently to something which should not have happened. So we apply judgment in issuing -

**CHAIR** - Are you responsible for the seals?

**Mr VALENTINE** - That was going to be my question.

**Dr WHITTINGTON** - That is a different output group.

Could I just make the point, Chair, to assist with the environmental licensing: that changed in 2016 for salmon. That is when it went to the EPA as an independent separate objective body that dealt with environmental licenses around salmon. That was in 2016.

**CHAIR** - I will go to seals when we get to there. I just thought they might have been here, but no.

**Mr VALENTINE** - I am interested in what is happening in the crayfish space on the east coast. Is that under your remit, and in relation to what IMAS might be doing - research and restocking of areas like that. Is that funded under this?

**Dr WHITTINGTON** - Yes, it is.

**Mr VALENTINE** - Does it come under the remit of this?

## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - Yes, it absolutely does. The rock lobster industry is important. We are funding a rock lobster relocation program, supported by the sector. The east coast is an important area. We have had serious issues with the *centrostephanus*, the long-spined sea urchin.

**Mr VALENTINE** - Sea urchin?

**Mr BARNETT** - Yes. You could liken it to a sea star.

**Mr VALENTINE** - It is cleaning out habitat?

**Mr BARNETT** - It is and has caused some havoc and degradation of our environment and our seabed. It has caused loss of habitat for a range of species and plant life on the east coast. With the Abalone Investment Fund, I announced some funding support for harvesting of sea urchin, in Asia they love the roe of the sea urchin. I went to the factory.

**Mr VALENTINE** - I have tried it.

**Mr BARNETT** - Have you?

**Mr VALENTINE** - Yes, it is OK.

**CHAIR** - I wouldn't dine out on it too much.

**Mr VALENTINE** - I liked it. Mind you, my father ran a fish cannery.

**Mr BARNETT** - At Taroona there is a big processing facility and a big market in Sydney, Melbourne and into Asia. We are supporting that with the Abalone Reinvestment Fund because abalone is impacted by it and, likewise, rock lobster. We have the rock lobster relocation program that seems to be underway.

**Mr VALENTINE** - That is, larger rock lobsters are being put over there because they predate on sea urchin?

**Mr BARNETT** - Yes, the larger ones predate on the *centrostephanus*. The numbers of rock lobsters on the east coast went down,

**CHAIR** - They had soft shells a few years ago too. They were moved around to the west coast where that world-class wind comes in to harden up.

**Mr VALENTINE** - They all get soft shells in November each year.

**Mr BARNETT** - For rebuilding of the stock, our funding assists they are taken from down in the south-west and south to the east coast. Our target is rebuilding the rock lobster stocks to greater 20 per cent of the virgin biomass or the unfished stock by 2023. The strategy requires the total catch within the stock rebuilding zone to be controlled and limited.

**Mr VALENTINE** - Do you have any numbers on how many are being transported?

**Mr BARNETT** - Yes, I have. The stock rebuilding strategy is delivery results with preliminary data from 2017-18 IMAS. They do important assessment and research. Stock assessment

indicating standardised catch rates in the east coast stock rebuilding zone have increased between 44 per cent and 75 per cent since the strategy commenced in 2013. The challenge now is to continue to implement the management action plan for the state's lobster fishery to continue rebuilding those stocks.

**Mr VALENTINE** - Is there a cap on that for recreational as well as commercial catches?

**Mr BARNETT** - We do have controls, recreational and commercial. We have details. There is change in terms of size and total allowable catch and such like - pot size, 60 pots. There is a proposal to go from 50 to 60 pots per boat. You have commercial fisherman. and recreational fisherman. Getting into the operational side of it, I do not know whether John or Fiona might like to add to my answer.

**Dr WHITTINGTON** - We have a quota-controlled fishery for rock lobster. That is capped in that context.

**Mr VALENTINE** - Is that the same statewide?

**Dr WHITTINGTON** - Yes, it is a quota for controlled fisheries. It is broken into regions but is controlled. The recreational catch is controlled in a different way. It is controlled but you have to be licensed to take lobster and then you have daily catch rates and all those sorts of things. It is not a quota-controlled fishery. Of the whole fishery, we have notionally allocated a portion for recreational and a portion for commercial.

Managing the two fisheries is part of the work of the Marine Resources Division to manage both recreational and commercial, but under different systems, meshing them together because it is one population.

**Mr VALENTINE** - It is a happy exchange between those two groups, or are there still issues?

**Mr BARNETT** - There is an understanding and what you would call a mutually agreeable outcome. It is fair to say that the recreational fishers always want some more, and the commercial fishers always want some more.

There has been a discussion and an arrangement in place which is accepted, but from time to time they would like more available. As a government, we have to try to represent that public interest and get a happy medium where we have a sustainable industry going forward. Our objective, and my objective on behalf of the Government and the department, is to deliver that.

We have those bodies you have referred to - TARFish and the Rock Lobster Fishermen's Association - and others on an advisory council. They give advice to me on what they think is best, and they are part of that advisory council that comes back and says, with respect to rock lobster, 'This is what we think is the best way to go'. I take that advice on board, and then I get advice from my department, and make decisions based on the best evidence possible - and that, from my point of view, should be based on science and evidence.

**Mr VALENTINE** - Where you take that stock from on the west coast, are they sort of 'no-go' areas for commercial fishermen, so you are not totally depleting the stock there? How does it work?

**Mr BARNETT** - It is more south than south-west, but they are a smaller rock lobster and whiter. They are not orange coloured and they are smaller. Once you put them into the east coast and warmer waters and more opportunities, they grow and colour up. It is a real opportunity to grow them out.

That has to be done in a sustainable way. I will check with Ms Bourne if you want to discuss how that operates.

**Ms BOURNE** - IMAS is doing some work to ensure that the locations of where we take rock lobster from is actually sustainable, and we are not doing a localised depletion there. They will provide us with some further updated details in the coming months.

**Mr VALENTINE** - Okay. Aquaculture, with respect to crayfish or rock lobster, is that being undertaken anywhere, commercially - growing farmed rock lobster? It was IMAS not that long ago, a couple of years back now, that actually closed the cycle and found out how these things go, and I am interested to know whether it has gone anywhere.

**Mr BARNETT** - I will pass to the secretary. I am not aware in Tasmania; certainly overseas. I will check if the secretary can fill us in.

**Dr WHITTINGTON** - The work you are referring to was done down at Taroona, and is continuing. It is a venture between the university and a private partner - a Tasmanian company that's progressing that - and their intention is to get to a full commercial grow-out facility over time. That is still very promising, and very much about commercialising the IP generated here in Tasmania.

**Mr VALENTINE** - Will that be on land or in the sea?

**Dr WHITTINGTON** - It is on land. They closed the loop on land, and that is the intention to do that. We are aware of it, but we're not a -

**Mr BARNETT** - Sorry, I slightly misunderstood the question. I apologise because I've visited that facility at Taroona. It is like a public/private partnership, with the private sector involved. They are doing a lot of work, a lot of research, and they are trying to develop a system where they can grow on land, in facilities appropriate to feed them; and they have special lights that come on at certain times of the day and night. It is all covered in, then the lights come on so the fish grow in a certain way.

**Mr VALENTINE** - It is an amazing cycle.

**Mr BARNETT** - It's exciting to see. If they can do it, I hope they can. They are investing and they want to get a return on their funds, so I hope they can do it. It is happening here in Hobart, and it's happening down at Taroona.

**Mr VALENTINE** - Thank you, minister.

**CHAIR** - A couple of questions around this one, minister. You talked about the Abalone Industry Development Trust Fund and the development fund.

**Mr BARNETT** - Yes.

**CHAIR** - And you talked about the centrostephanus being a threat. Is some of this funding directed at that, or what are we doing? I've had representation about the real threat that the sea urchin is posing. Is there a specific program within your department to try to deal with that, aside from eating them, if Rob can get enough of them?

**Mr BARNETT** - Right. Rob might be the answer; a few more Robs.

**Mr VALENTINE** - More Robs. Send me up there.

**Mr BARNETT** - A few more Robs. Yes. Well look, you've asked a good question. I'm not sure if you want to clarify the question, but in terms of the Abalone Industry Reinvestment Fund that's basically used to support the sustainability and increase the viability and production of the abalone fishery across Tasmania, biologically and economically. The industry itself, we liaise with them and I've got an advisory committee again in that space, and I appreciate their feedback. They identify numbers of areas in which a suite of projects should be developed. One such area - so it's not the be all and end all - but one such area is the centrostephanus and efforts to reduce the centrostephanus, specifically on the east coast.

**CHAIR** - Yes. The question is, what efforts are being made; what are actually doing about them? Maybe it keeps going? Okay.

**Mr BARNETT** - Yes, yes. Well, there's actually a lot of work that's going ahead, but there's a committee that looks at those options and initiatives. They form a work program. Part of that is a work program over five years, and the AIRF, which is the fund, has called for expressions of interest for projects that are in line with the objectives of the fund. On 5 April, I announced expressions of interest for projects, and we've now got 29 projects submitted for consideration.

**CHAIR** - This is to deal specifically with the centrostephanus?

**Mr BARNETT** - Well, it's to do with the reinvestment in the abalone industry.

**CHAIR** - Abalone industry? Right.

**Mr BARNETT** - There's a whole range of projects. I haven't seen those personally, but I'm sure the department would be across those particular expressions of interest. They have to go through the process of being assessed; that's happening as we speak. Those projects considered worthy of considering - they meet certain criteria, they come back to the committee and then, of course, come through to government.

Some examples of that for the abalone industry: the abalone stock enhancement; habitat survey and long-spined sea urchin; barren mapping; management and mitigation of the long-spined sea urchins; effects of global warming on abalone and abalone habitat; improved supply chain innovation for abalone or long-spined sea urchins; and the fishery market development, including product diversification for abalone or long-spined sea urchins. Also, the public outreach and education to promote understanding of issues such as abalone fishery management and urchin control strategies.

**CHAIR** - So, is there some defined urchin control strategies then? I think my constituent wants to know what's being done particularly to try to deal with them?

**Mr BARNETT** - Well, I'll ask John or Fionna, but one is the funding support where we provide subsidy to the divers to collect the centrostephanus, pick them up and take them to the factory in Taroom, or wherever else. They are processed and they make some money out of that. But there's a subsidy for the collection of those centrostephanus. So, they actually get picked up out of the sea floor and taken for processing.

**CHAIR** - The abalone divers?

**Mr BARNETT** - Yes.

**CHAIR** - Yes.

**Mr BARNETT** - And indeed other divers. But I'll just check with John or Fionna.

**Ms BOURNE** - Just to add to what the minister's saying in relation to centrostephanus, part of the Abalone Industry Investment Fund has been currently used to provide a subsidy to abalone divers to harvest and remove the centrostephanus. And we're currently on track -

**CHAIR** - Move them or remove?

**Ms BOURNE** - Remove them.

**CHAIR** - Remove? Yes.

**Ms BOURNE** - And then they're taken for processing, and then the next bit, obviously. We're on track to remove about 400 ton of sea urchin this season, which is a significant amount.

**Mr VALENTINE** - Four hundred ton.

**Ms BOURNE** - A significant increase on previous years. That subsidy is currently under review. We're having it looked at to see whether it's sustainable and needed in the long term. In addition, we are working with the CSIRO around developing a five-year strategic plan for the future determination of priorities around our centrostephanus control. It is a natural range extension. It is not an invasive pest so how do we manage it long term in an effective way rather than being able to eradicate it?

**CHAIR** - Eradication is not the approach; it is managing it.

**Ms BOURNE** - We are going to have to control and manage.

**Mr BARNETT** - Can I make the point that the subsidies we are providing now are the ideal arrangement - the law of supply and demand, market forces, the market in Asia loves the roe. If we can build up the market, we can get some economies of scale around the processing and then slowly move the subsidy away. Then you create a market and they head off and export it.

**CHAIR** - The divers will dive for them on their own?

**Mr BARNETT** - Yes, or as they are diving for abalone, they pick them up as well and they make some money out of it that way.

**CHAIR** - Bycatch.

**Mr BARNETT** - Bycatch.

**Mr VALENTINE** - Do they get help with transport or is that something they have to bear?

**Mr BARNETT** - It is just a subsidy provided at the moment to the abalone divers. I am not sure if other divers do it but -

**Ms BOURNE** - The commercial divers do it.

**Mr BARNETT** - Yes, the commercial divers.

**Ms BOURNE** - The licensed commercial divers are able to get it.

**Mr VALENTINE** - That is for production? Anything they pick up is then transported to a production facility - where, at St Helens or something?

**Mr BARNETT** - Taroon.

**Mr VALENTINE** - Taroon.

**CHAIR** - There is one up St Helens way.

**Mr VALENTINE** - There was.

**Ms BOURNE** - Ralph's Tasmanian Seafood is the predominant processor at the moment.

**CHAIR** - Any other questions on marine resources? If not, we will move to 2.3 Supervision of poppy and hemp crops.

### **2.3 Supervision of Poppy and Hemp Crops**

**Mr GAFFNEY** - We had some good discussions yesterday with the minister for Police and Fire about the poppy security in that area there. How many hemp and poppy licences were issued the last year? How does this compare with previous years?

**Mr BARNETT** - Hemp and poppy - we have two issues there but I am sure we can assist you in that regard. Maybe if we start with hemp.

**Mr GAFFNEY** - Do you want me to ask two separate questions?

**Mr BARNETT** - That is all right. We will do the best we can to try to be versatile and adaptive to the needs of the Legislative Council.

Industrial hemp, I can tell you in 2018-19 that the number of licences was 75, the number of growers was 49 and the number of hectares farmed was 1361. That is hemp.

We will see if we have poppies. Poppy production in 2018-19 - number of licences, 482; number of growers, 331; hectares licensed, 17 613; hectares sown, 10 447; and hectares harvested, 10 786.

**Mr GAFFNEY** - If you look at both lots of figures, from 2017-18 to 2018-19, it looks like the poppy growers are going down and the hemp is going up. Is that correct?

**Mr BARNETT** - Certainly hemp has gone up, for sure.

**Mr GAFFNEY** - Just give us the hemp one. We had the poppy ones the other day.

**Mr BARNETT** - The hemp from 2017-18 to 2018-19 - licences 58 to 75; number of growers 35 to 49; hectares, 464 to 1361.

**Mr GAFFNEY** - Yes. There is a significant increase in that.

**Mr BARNETT** - Yes, but I should say from a much lower base.

**Mr GAFFNEY** - That is true and we are aware with the declining market in the poppies because of -

**Mr BARNETT** - No, poppies - if I can jump in because I went to the Tasmanian Alkaloids annual dinner.

**Mr GAFFNEY** - Over the last four years.

**Mr BARNETT** - Yes, but just a few weeks ago. I will give you the latest we have on poppies. For the 2019-20 growing season, there was a very positive outlook so the Poppy Advisory and Control Board approved licensing of 20 700 hectares of poppy crops compared to 17 613 the previous year - that is an increase of 18 per cent on last year.

**Mr GAFFNEY** - From three or four years ago?

**CHAIR** - On last year's.

**Mr GAFFNEY** - I know, but what I'm saying is, is it from three or four years ago that there has been a decrease?

**Mr BARNETT** - In 2015-16, 13 224 hectares was harvested; in 2016-17, it was down that year - 8099 hectares; in 2017-18, it was 11 949 hectares; and then in 2018-19, it was 9786 hectares. That is harvested; sown was a bit more than that. There is definitely an increase and that is harvested.

I probably should compare hectares licenced. Licenced last year was 17 613 hectares compared to 20 700 hectares for this coming year; hectares licenced in 2017-18 was 16 864; in 2016-17, it was 17 320 hectares; in 2015-16, it was 21 466 hectares; and in 2014-15, it was 27 314 hectares.

It has definitely gone up, down, down, then back up again in 2018-19, then 18 per cent for the coming year.



**Mr GAFFNEY** - My apologies there. I have an article written in July 2017 that says -

Over the past three financial years, the number of licences issued has fallen from almost 800 to just over 500.

**CHAIR** - Licences or hectares?

**Mr GAFFNEY** - Licences. Less than half the number of hectares were harvested, though. Obviously, I have had wrong information here.

**Dr WHITTINGTON** - Certainly, the industry went through a period when international supply of opiates was high. We grow 50 per cent of the world's licit opium production. Our ability to grow was reduced. Now, global stocks are such that there is increasing demand for our supply, so we are starting to grow more now. That is reflected in the areas sown and the areas harvested.

The other thing that has been happening through this period - and the minister might go on to this - is that the productivity per hectare has gone up considerably during that period.

**Mr BARNETT** - That's an important point John has made. Productivity has gone up. I went to the Tasmanian Alkaloids lunch, but I think this is fair for the poppy industry. Productivity has increased significantly in the past few years, from the feedback I have had.

**CHAIR** - The outcome per hectare?

**Mr BARNETT** - Yes, outcome per hectare. It is a good sign. The industry wants to be more productive.

**CHAIR** - I recognise the point you are making there. I assume this has all been done through selective breeding of the poppies. The poppy industry is one who pushes quite strongly for the relaxation of the GMO moratorium.

You are saying there has been a significant increase in productivity per hectare, which would mean there is more opiate in the capsule, which has been achieved without genetically modifying the poppies. Is that true?

**Mr BARNETT** - Yes. My understanding is it's through not just production practices, but also breeding of the poppy.

**Mr GAFFNEY** - My next question is towards the hemp industry. In 2017, it was recommended that the Tasmanian hemp industry commence predominantly to supply and on-sell seed for other producers -

They are in the process of changing regulations to allow low-THC hemp as food. That will be in place in about five months' time. That then does open up opportunities for further processing in the state.

Could you advise how many, if any, producers have branched into other secondary uses for the hemp crops?

The change in regulations to allow low-THC hemp as food 'will be in place in about five months' time', and that was in 2017. Did that take place and has that had an impact in our state?

**Mr BARNETT** - I will begin and the department may have further information. Credit goes to my predecessors and the Minister for Health, who took the position of hemp being acceptable in food. Tasmania led the way on Australia recognising hemp in food, being approved at a federal level. Mr Ferguson, Minister for Health, spoke at the COAG meeting at the time. It was health-related because of the food and drug advisory aspects. New Zealand may have been represented there.

**Ms BOURNE** - In terms of hemp sold there are different varieties of things, hemp seeds and other uses in beverages and other products. Regulation is in place to allow hemp to be used in the food industry.

**Mr GAFFNEY** - Are we aware of any Tasmanian firms that have gone down that path? Do they have to apply for that to happen? How does that work?

**Ms BOURNE** - Industrial hemp has to be licenced from cultivation through to the manufacturing. We have companies with those licences in Tasmania, issued under the Industrial Hemp Act toward manufacture of hemp for those purposes.

**Mr GAFFNEY** - Do you grant those licences?

**Ms BOURNE** - The Poppy Advisory and Control Board manages those under the Industrial Hemp Act.

**Mr GAFFNEY** - Can you provide us with a list of how many groups have had licences? How many licences have been granted, can you take that on notice?

**Mr BARNETT** - Yes, we would be happy to assist.

**Mr GAFFNEY** - I am interested to see the growth, if Tasmania's been involved in regulation, and how it has crossed over into our farming industry.

**Mr BARNETT** - I am more than happy to give you that. In 2017-18, the number of licences to grow hemp was 58, and it has gone up to 75 in 2018-19. The number of growers went from 35 to 49 and number of hectares from 464 to 1361, which is a huge increase. You are talking about the use of -

**Mr GAFFNEY** - Use in food products, yes. Is the Government supporting producers in developing food-grade hemp? It's a new market and seems to be getting some traction.

**Mr BARNETT** - Yes, could we take that on notice and get back to you?

**Mr GAFFNEY** - Yes. Are you aware of any lobbying by producers already in the industrial hemp industry to seek amendment to the Federal Narcotic Drugs Act 1967 or Tasmanian Poisons Act 1971, in order they might investigate medicinal cannabis cultivation?

**CHAIR** - Do you mean industrial hemp producers?

**Mr GAFFNEY** - Yes.

**Mr BARNETT** - There is a crossover with the Health portfolio when you talk about medicinal cannabis but I have I am happy to take the question on notice and come back to the committee, if you're happy for us to do that?

**Mr GAFFNEY** - That is fine. It is interesting and I wonder how it is advancing.

**CHAIR** - Will any medicinal cannabis operation be managed under the Health portfolio?

**Mr BARNETT** - Yes, it is a Health issue but I will make enquiries.

**CHAIR** - Mr Gaffney was asking if any of the industrial hemp people are involved. It might be hard to track whether they are applying for medicinal cannabis licences. I know medicinal cannabis licences are being applied for and issued.

**Mr BARNETT** - That is outside my portfolio. Within my portfolio, what can I assist you with?

**Mr GAFFNEY** - Are you helping producers lobby for changes so they can move into that area? Gaining access would be the health aspect, with growth being the end point.

**Mr BARNETT** - I will take that on notice and I will do the best I can without crossing portfolios. We will assist and come back to the committee but it won't be today.

**CHAIR** - That is fine. We will send you our questions later today. We will come back to 3.1 Resource management, Conservation and Seals.

**The committee suspended at 4.06 p.m. to 4.21 p.m.**

**Output Group 3**  
**Natural and Cultural Heritage**

**3.1 Resource Management and Conservation**

**CHAIR** - Minister, if you would like to introduce your new team member.

**Mr BARNETT** - Deidre Wilson is the secretary and a wonderful reinforcement and John has to be elsewhere as we speak. I am more than happy to speak to seal management, Landcare and any other matters.

**CHAIR** - Okay, we will move to Output Group 3.1, Resource management and conservation.

**Ms LOVELL** - Minister, a couple of questions around threatened species. How many flora and fauna species have been added to the threatened species list in the past year?

**Mr BARNETT** - That would be a question for the Minister for Environment.

**Ms LOVELL** - The threatened species strategy, Minister for Environment as well?

**Mr BARNETT** - Yes.

**CHAIR** - We will go to seals then. Since we no longer do seal relocation, what is your role in managing the seals and monitoring numbers and things like that?

**Mr BARNETT** - Seal management is a really important issue. I have, as minister recently signed off an update of the Seal Management Framework, first introduced under the previous government. It has been updated and the terms and conditions can be outlined by Deidre Wilson shortly. Some of the salmon farms have upgraded and improved their nets and netting to ensure seals stay out. It is not as big an issue as before because of the way they operate.

**Mr VALENTINE** - They just sunbake on the edge.

**Mr BARNETT** - They sunbake on the edge and I saw one sunbaking on the edge recently when I was at one of the fish farms. That does happen and they are clever and hang out where they can get some food.

**CHAIR** - Which is part of the problem for the aquaculture farmers because they are smart enough to figure out where is the weakest link. For example, Macquarie Harbour has all three companies in there at the moment. One of them will act to make their pens less seal friendly so the seals will think a bit tough and go to the other one. They learn which ones to go to will go back find another way in. It is a constant battle and the problem will not go away.

**Mr BARNETT** - It is an ongoing issue for the salmon industry, but the industry is getting smarter about keeping them out. Improving cages, protecting the fish and ensuring a safer working environment. That is all part of the Seal Management Framework. The department works closely with the industry and industry players. I might see if Deidre Wilson could add to that.

**Ms WILSON** - The Seal Management Framework does set the standards, available tools and procedures to manage seals. The department is working with industry and experts to look at the Seal Management Framework and also the minimum requirements that fit under that, so there is an appropriate and available toolkit for industry that manages both animal welfare and workplace health and safety risks.

We are working collaboratively with University of Tasmania and Tassal to look at the behaviours of fur seals. The more we can understand about how seals are in the natural environment and how they interact with aquaculture, the better we can look at how we target both soft deterrents and what the industry can do with their facilities and infrastructure to help manage these interactions.

**Mr GAFFNEY** - Is seal reduction part of the framework? Don't get me wrong, it's all about management and safety but do you count the growth in seal numbers? Sooner or later someone is going to ask: what are we going to do with this? There is only so much we can do.

**Ms WILSON** - Through the minister, we do monitor fur seal populations at both the state and national levels to understand the transient seal numbers and changes to breeding distribution. At this stage it's about understanding seals. They are in the natural environment. They are there and

the aquaculture industry is looking to work with us on appropriate management techniques for interactions.

**Mr GAFFNEY** - With your population figures, does that happen every five years or every year? Has there been an increase or is there a decrease? What are the numbers and how do you assess that?

**Ms WILSON** - Minister, I would have to take that on notice but I understand we can provide that information.

**Mr BARNETT** - If we could take that on notice and come back to you.

**Mr VALENTINE** - I am interested to know what the problems were with relocation, such as putting them in an area that may not have been their natural habitat and the effect on local fish populations? Do you have any information so that people don't need to reinvent the wheel?

**Mr BARNETT** - There are a range of concerns with the relocation of the seals. It was an issue in the community and for the industry for a good period of time. That practice ended, I think, in December 2017. I will double check. We have amended the framework. We have implemented those minimum requirements. I signed off on that just a few months ago. I am pleased to have been able to do that with the department's full support and recommendations. I will ask Ms Wilson to flesh out the answer.

**Ms WILSON** - As the minister has indicated, the policy change related to the concerns of fishers and communities where the seals were to be relocated. The policy change was reflective of the need to respect the fact that there was seen to be an impact on the areas where seals were being relocated to. We said we would then look at the seal management framework and the toolkit available for the aquaculture industry to manage seals in their environment.

**Mr VALENTINE** - Did they end up going back to their previous habitat?

**Ms WILSON** - I would need to confirm that, but was my understanding was that some did.

**Mr VALENTINE** - It is quite amazing to think they have been taken to the other end of the island and yet they can make their way back.

**CHAIR** - Just around the corner, it was.

**Mr VALENTINE** - For some it might have been, from Macquarie Harbour.

**CHAIR** - Macquarie Harbour up to Stanley.

**Mr VALENTINE** - I thought it might have been from the south-east as well but maybe not. Thank you.

**CHAIR** - I'm not sure whether this relates to conservation of land or not, minister. You said to Ms Lovell that it did not relate to threatened species, but one of the performance measures here is accessibility of information to support natural resource management and development decisions and the level of use, or page hits, of the Natural Values Atlas. I am not familiar with the Natural Values Atlas? It is performance measures on page 237. The target is lower than what was there

before. There is a footnote related to that but could you give me some information about this atlas. Who actually uses it? I'm assuming it relates to this portfolio.

**Mr BARNETT** - Thank you for the question. I will pass to Ms Wilson.

**Ms WILSON** - I am trying to find my performance measures but I will talk about the Natural Values Atlas. The Natural Values Atlas sits within the department as a toolkit to support information decision-making. It contains information about certain species in flora and fauna. It ensures we have the appropriate information to support decision-making. I will find my note on it.

**CHAIR** - Around land management?

**Ms WILSON** - Yes.

**CHAIR** - Right.

**Ms WILSON** - If we're looking at maybe an assessment and it is not in this portfolio we would look at the atlas and see what flora and fauna information is available about that land parcel.

**CHAIR** - If you wanted to do a land swap for a conservation area to a productive forest area, if that ever happened?

**Ms WILSON** - I would have to check the details of how we use that in practice because it is operational. That is my understanding.

**CHAIR** - It would be helpful to have a bit more information, minister. Who uses it, how is it accessed? Is this a public tool or is it an internal tool?

**Mr BARNETT** - Happy to assist. Do you want that now?

**CHAIR** - No, we will put that on notice to you.

**Mr BARNETT** - Right, we'll come back to you on that one.

**CHAIR** - Any other questions on 3.1 resource management and conservation, members?

**Mr BARNETT** - You had some questions on Landcare.

**CHAIR** - Sorry, Landcare, I did have a question there.

**Mr BARNETT** - I did not want you to skip over it because I am so proud of our Landcare commitments.

**CHAIR** - Sorry, I nearly failed to give you the opportunity. I do have a question. It is a really good program and project to see our riverine areas and riparian zones protected. A lot of work has been done in my electorate through various projects like this.

**Mr BARNETT** - Not just your electorate.

**CHAIR** - I am sure. I am aware of some of them and participated in some of them in my electorate. You have talked about some of the projects, such as getting cows out of creeks and other partnerships with DairyTas. What projects have been funded under the funding that has been provided to date and what are in the pipeline?

**Mr BARNETT** - Yes, I can. Cows out of Creeks received \$200 000. That is the first one you referred to. That supports protecting and preserving parts of our creeks to keep the cows out of them.

**CHAIR** - By fencing?

**Mr BARNETT** - Fencing, yes fencing to protect the waterways from intrusion from the animals. They can make a real mess. I was born and raised on the Meander River and we had cows in the Meander River. They did make a mess. It is good program under the former minister. I thank him for his leadership in delivering that.

We have doubled the funding, \$960 000 over four years, for Landcare Tasmania. It is not quite doubled, nearly doubled the funding for Landcare Tasmania as a peak body to support all their groups. There are 200 Landcare groups around Tasmania. Thousands of Tasmanians are involved in those Landcare groups. The peak body supports those volunteer organisations. Where would be without our volunteers, particularly in this space? It is fantastic. I say great investment, return on funds invested is fantastic. Landcare Tasmania does a great job and they are helping all those groups.

**CHAIR** - Does an individual farmer apply to your department or to Landcare? How are the fences built to keep cows out of creeks?

**Mr BARNETT** - They apply to Dairy Tasmania for the funding to fence their property.

**CHAIR** - The farmer will do the fencing with financial support from Dairy Tasmania.

**Mr BARNETT** - Yes, with the support from the funding to protect their creek or waterway, and they are dairy farmers.

The rest of the funding includes \$200 000 for Cows out of Creeks and \$1.8 million for the Landcare Action Grants to be delivered over a four-year period. I announced at Agfest and that funding goes through the TFGA and Landcare Tasmania. Applications have been made to those organisations and are being considered against certain criteria, with terms and conditions also to apply. They will roll out over the coming years.

**Ms WILSON** - The minister is entirely correct. The grant program has opened. We will be assessing the applications received in the near future. We have an assessment panel, which will consider the applications received. Once that is done, the funding will start to flow to on-ground, practical Landcare activities.

**CHAIR** - There is an increase in funding to the NRMs. Can you detail the amount to each?

**Mr BARNETT** - Yes. We have extra funding to NRMs on page 578. Before I mention that, I was at Ian Mitchelson's property at Selbourne at the back of Hagley the other day. He had done some work with the local Landcare in an around his stream, his river and you could see the fantastic

result. The cows had been in the creek, messed it up and we saw the result of that good work. I commend him and the work of that initiative.

Funding for NRM North, NRM South and Cradle Coast NRM has been increased to \$4.2 million over four years in recognition of the key role for these bodies perform in delivering state and national environmental and agricultural priorities. You may be aware that the Commonwealth has recently undertaken a national procurement process relating to NRM delivery. That process has been completed for NRM North. They have been contracted for four years to provide \$2.5 million for specific project outcomes. Cradle Coast NRM has recently been advised that its bid has been successful and it is now in the process of finalising the specific project outcomes.

**CHAIR** - That must be very recent.

**Mr BARNETT** - It was very recent. You would know because you are on the north-west coast. A new tender process for the southern region closed in early April. The results of that process are expected mid-year. I have been in touch with them and they do important work for the community. They deliver practical outcomes for Tasmania and they need to focus on that. We have terms and conditions attached to the funding commitment we make to them.

**Ms WILSON** - The Cradle Coast Authority advice around their projects is very new. It was delivered on 3 June. They are looking to enter negotiations to sign off on their grant deeds to get the funding in to start rolling out some projects on the north-west coast.

**Mr VALENTINE** - With regard to some work that is being done on 'Beaufront', burning of landscape, is that part of resource management and conservation or not? It's on the von Bibras' property. They have been working in conjunction with some in the Aboriginal community to do some burning strategies and I was wondering whether that was part of this.

**Mr BARNETT** - I suspect it might be a federal program.

**Mr VALENTINE** - I will talk to Ms Petrusma tomorrow.

**Mr BARNETT** - Maybe raise it with her. Julian and Annabel von Bibra are leading the way in conservation of certain pasture and land care outcomes for their property at Beaufront. I take my hat off to them for what they are doing. Julian was at the Campbell Town Show when I was up there last Friday and Saturday. Do you know what else they are doing at Beaufront? They are doing some important conservation.

**Mr VALENTINE** - It's not part of this line item.

**Mr BARNETT** - No, it's not part of this line item. I am aware David Littleproud had a program which I did alert Julian to six weeks ago which was to do with conservation of certain native grasses and they are doing some good work in conserving, caring for and preserving those native grasses. They are doing some good work in that space.

I was wearing the Beaufront merino wool, a beautiful navy-blue jumper made from the paddock to the human being, which was me, and you can buy them in -

**CHAIR** - Are we on target with the line item still, minister?



**Mr BARNETT** - No, we're not. I can't remember the retailer. You can buy those - from Tasmanian wool, it's manufactured, knitted and then sold as part of the Tasmanian brand, Chair, which is fantastic.

**CHAIR** - We are off the track, any other questions on 3.1?

**Mr VALENTINE** - I have had mine answered, thank you.

**CHAIR** - We will move to output group 4 - Water resources.

**Mr BARNETT** - The secretary can respond, it was on Natural Values Assets Register.

**Ms WILSON** - It sits in our Natural and Cultural Heritage Division. It is a web interface, and in what I was saying earlier I was not sure whether it was available publicly, but it definitely is. It is an authority of the comprehensive natural values information. It is a really useful tool kit for people that want to manage their properties and understand what flora and fauna, including threatened species as well as weeds, geodiversity and soil survey data might be available.

**CHAIR** - Is it publicly available, did you say?

**Ms WILSON** - You can register - 'how to access' and select the 'register' button.

**Mr BARNETT** - Country Road is the name of the store. You can go there and get a Tasmanian garment made from Tasmanian wool from Tasmanian sheep.

**CHAIR** - You can do that from other ones as well, like Smitten, a Tasmanian company.

#### **Output Group 4 Water resources**

##### **4.1 Water resource management -**

**Mr VALENTINE** - How many FTEs are represented in the activities covered by this line item?

**Mr BARNETT** - A very good question, let's see if the department can assist in the number of people in the water resources sector.

**Ms WILSON** - In water resources, output group 4, as at March 2019, 39.74 FTEs.

**Mr VALENTINE** - Thank you. What role, if any, does this output have in the development of water and sewerage priorities for the state? Do you have any interaction at all with TasWater on this?

**Mr BARNETT** - That is a broad-brush question. We have a rural water use strategy which I launched about two months ago, receiving feedback on that and putting it out for public consultation. That will take time and it will be over coming months very important for rural water use. There is also an urban water use strategy and I will defer to the deputy secretary to speak about that if you would but is that the point of your question?

**Mr VALENTINE** - I wanted to know since the Government's become more involved, whether there is extra work that might be undertaken by this unit?

**Mr BARNETT** - If Fionna Bourne could come to the table it would be appreciated and we will bring in a water expert. We shall see if Fionna Bourne can assist in answering the question.

**Ms BOURNE** - To answer your question, this output group does not have a role in working with TasWater and setting any of their infrastructure objectives. We have a role in the urban water policy area but it is a restricted and small role.

**Mr VALENTINE** - That answers the question, thank you. I realise we spoke about this matter at a briefing not all that long-ago minister you gave to the Legislative Council. For the record, concerning the boundaries of operation for this line item, can you outline the level of interaction there must be between the activity areas under this line item and the other players needing to access our water resources? I am talking about Hydro Tasmania, Tasmania Irrigation, TasWater - you have already answered, farmers that have river frontages, to understand how much interaction happens between those bodies to ensure our water resources are carefully managed and no real conflicts for those various players achieving their strategic goals?

**Mr BARNETT** - Very important we understand the relevant levels of priority attached to water from different perspectives whether, as you say, it be from Hydro Tasmania, from consumers, residential business, farmers, for irrigation purposes. There is an overview and I will pass to Fiona Bourne to address.

**Ms BOURNE** - The Water Management Act is the overarching act that deals with and manages our fresh water resources in this state. Under that act areas such as the Hydro, Tas Irrigation and other water users get their water licenses. As part of our water management framework and planning we work closely with Tasmanian Irrigation, Hydro and other water users to ensure we have a sustainable operation of fresh water. As the minister said in relation to the Rural Water Use Strategy, is intended to ensure an integrated, fair and efficient water administration across the state. This will deliver the water security for farmers and irrigators and to make sure we continue to adapt to deliver the sustainable water assets services facing changing challenges, including climate change, agricultural growth and deliver community needs and expectations. As part of the development with that water strategy, we are in the process of having targeted consultation with various stakeholders and to date we have spoken to 19 different participants in the water area for their views on water management.

**Mr VALENTINE** - Largely organisation or individuals?

**Ms BOURNE** - They are predominately organisations. It includes people like Hydro Tasmania, TasWater, the TFGA, the Winnaleah Irrigation Scheme, the Ringarooma Water User Group, NRM north and south, and Cradle Coast NRM. We have spoken to the Tasmanian Conservation Trust; the Environmental Defenders Office, the Tasmanian Institute of Agriculture; AgriGrowth and the EPA, because they have a role; DairyTas; the Tasmanian poppy growers; the Elizabeth Macquarie Irrigation Trust; Tasmanian Agriculture Productivity Group; and the Anglers Alliance. We are going to be speaking very shortly to the Inland Fisheries Advisory Committee.

**Mr VALENTINE** - There is a heck of a lot of organisations you have to deal with.

**Ms BOURNE** - It is, and we are taking their issues and their themes, pulling that together in relation to some scoping papers, and then, as the minister said, a position paper will be released for public comment on the rural water use strategy later this calendar year.

**Mr VALENTINE** - Minister, does that also include making sure the water that is available is indeed not polluted? So if you are talking about farming, and they are putting nutrients on their land - do you test water flowing off land to see whether it's nitrifying rivers? Are there any management issues like that, that you have for downstream use?

**Mr BARNETT** - Yes. That is very important. The question you ask is actually very important, and we do have a separate assessment of that through the EPA and the Environmental Management Pollution Control Act as well as the Environmental Conservation Act. There is a range of legislation regulations overarching all our water assets and access to water. The different standards apply in different cases, whether it is drinking water for irrigation, or for other purposes. The answer is yes, but it is probably in a different output. I am not the expect on the environmental standards that apply, but they do apply, and we do have laws and regulations in that space.

**Mr VALENTINE** - Given the number of FTEs you have actually here, and knowing that there are another five irrigation schemes coming onboard - I think you said five - which is good for agriculture I am sure. Are there enough human resources realistically to provide the degree of attention that needs to be paid? Is there an argument for perhaps bolstering those resources, given the workloads that they've already got under their belts?

**Mr BARNETT** - Firstly, in terms of the irrigation, can I just say our funding is funded? We have \$70 million from the state Government, \$100 million from the federal government, then we will have a buy-in from the farming communities or the irrigators. Exactly the amount of funding input from them will be resolved within the next two years, in coming months and the coming year or so. That all goes through Tasmanian Irrigation. There is funding support for that for those five irrigation schemes.

We are on track, we have announced that yesterday, so those five schemes are the Don, Wesley Vale, Sassafras, Northern Midlands, Fingal and Tamar - so West Tamar and across into East Tamar as well. We have that covered. That will be going through the planning and approval process.

I am very excited about that. I know TFGA and all the farmers involved are very excited about it. At the end of the day it needs to be sustainable and commercially viable for them. But they will have water surety - that's guaranteed water. So they can plan with confidence to grow their crops, build their vineyards, put on their berries, put up their polytunnels, or put on more cows for dairy purposes. And there is funding there already to cover that work going forward, and we are well and truly on top of that one through Tas Irrigation, and obviously with the support of the Department.

I don't feel pressured in any way that the department has underdone in that regard.

**Mr VALENTINE** - I am just looking at the line item and the funding for it and from 2018-19 to 2019-20, it has gone up 3.46 per cent. It is then 1.58 per cent up, 1.65 per cent up, and then 0.99 per cent. I'm thinking that is barely keeping pace with CPI, and I am just wondering how that is going to pan out when there is extra workload and all of the communications that you have to do. That is why I was asking the questions about that.

**Mr BARNETT** - I think they are good questions. Of course, we review this every year at every budget cycle, and as minister that is my responsibility to work with the department to ensure they have the people and the resources to do the job. I am confident they can do the job. That is the feedback I am getting. If that changed I will certainly review that, take it on board and obviously speak to the Treasurer and my colleagues, accordingly, but we are on track. I think we have designed and structured the Budget sensibly in a balanced way, and we are getting runs on the board, and we are delivering for our farming communities.

**Mr VALENTINE** - Any legislative changes in the wind that the department or that this line item is going to have to work on as well?

**Mr BARNETT** - I think the rural water strategy, which I mentioned earlier and Fionna Bourne spoke to as well, that is the important piece of work that will have to be done, so in the second half of this calendar year you will see a body of work that will be made available. We will seek feedback and comments from the public and key stakeholders in rural communities, and there are so many around Tasmania, so the answer is yes, there will be a body of work around that. It will be important. There will be a lot of consultation and feedback. I will need to be fully up to date with all of that feedback and then respond accordingly.

**Mr VALENTINE** - Is some of that out of federal funding?

**Mr BARNETT** - No, that is a state program, and it is state water strategy, and rural water use strategy. I have raised it and discussed it at a recent forum in Launceston probably a couple of months ago. We will get a lot of feedback on that, but it is all run by the state.

**Mr VALENTINE** - I am just concerned about the way the resourcing looks, and the heck of amount of work that has to be achieved - and especially now you are talking about legislation - that there is going to be enough resource there to do it. You have already said that there is.

**Mr BARNETT** - It is important work, but we should say at the same time we are always doing everything we can to streamline the process, cut the red tape and make it easier for farmers and rural water users to do the job. You have a piece of legislation in your bailiwick which I cannot comment on. It has been through our House, it is now in your House for consideration, and again you will see that is streamlining the process, and frankly making it easier to get the job done for our farming communities, and those that use the water in those rural areas.

**Mr VALENTINE** - If we turn to the performance info on page 239, the megalitres there going up by 19 000 megalitres in 2017-18 to 2018-19, then to 2025. What's the draw going to be like for the five projects that are coming online? How many megalitres are they going to need?

**Mr BARNETT** - That is a really good question. Based on the business case that has been put to the federal government, I should say it has also gone to Infrastructure Australia and it has been designated a priority project. It is national infrastructure, that is why they're committing their \$100 million, for which we are very grateful. In addition, it's through Michael McCormick's water infrastructure fund, it goes there as well. It has been recognised, so the business case has gone in and I can tell you for tranche three for pipeline to prosperity, it is based on 78 000 megalitres. That's in total.

**Mr VALENTINE** - When that will be completed by?

**Mr BARNETT** - That is with the full ten. We would like to do it in the next five to eight years.

**Mr VALENTINE** - So the 25 that is listed here, increase out to 2019-20, would only cover two of those perhaps.

**Mr BARNETT** - Sorry, this is from today going forward.

**Mr VALENTINE** - This is 2018-19, sorry.

**Mr BARNETT** - For the next five to eight years from now.

**Mr VALENTINE** - From last year to this year is 25, sorry, I do apologise.

**Mr BARNETT** - Under tranche 2, we have just completed the fourth, and the final one is at Scottsdale and that should be completed next year, so 2020. So that will be tranche 2 all done and dusted, all happening under our term of Government. We are very pleased and proud of that effort, with federal support. We are very grateful - and bipartisan support I must say, so we are very grateful for that as well.

**Mr VALENTINE** - Just to get it on the record, we did talk about this the other day, but just in terms of that overall increase in thousands of megalitres, 78 000: the rivers that you are drawing from, the catchments or the dams that you are working from - that's all sustainable?

**Mr BARNETT** - Absolutely.

**Mr VALENTINE** - Can you outline what takes priority? We have a lot of different players, as you have listed; Hydro, TasWater, farmers -

**CHAIR** - The environment.

**Mr BARNETT** - Absolutely. Tranche 3 of the Pipeline to Prosperity are those 10 irrigation projects over the next five to eight years. The first phase includes the first five coming to fruition. They have to go through a planning approval process. In total, the 10 proposed irrigation schemes provide 78 000 megalitres, delivering an estimated \$114 million in extra income to our farm communities and thousands of jobs in rural and regional areas. That is all sustainable, which it has to be. In addition to that we are investing \$5.5 million into renewable energy projects. That is mini hydro and micro hydro on those irrigation schemes to lower the cost of doing business for our farmers. The priority, the second part of your question -

**Ms BOURNE** - This is about surety? The Water Management Act sets out the various surety levels of water access. I would have to take it on notice and come back to you with exactly how we physically describe surety - 1, 2, 3, 4, 5, and who has what access.

**Mr VALENTINE** - If you could do that, I would appreciate it. I am interested to have those surety levels for extraction of water from facilities or rivers on the record, including for those who run mini hydro schemes next to rivers. There is one at Ellendale.

**Mr BARNETT** - No problem. Any more, Mr Valentine?

**Mr VALENTINE** - I don't think so.

**Output Group 6**  
**Biosecurity Tasmania**

**6.1 Biosecurity**

**6.2 Product Integrity -**

**Mr BARNETT** - Biosecurity and product integrity is overseen by Dr Lloyd Klumpp, General Manager of Biosecurity Tasmania, and we are very grateful for his support.

**Mr GAFFNEY** - Thank you, minister. For those people listening online, this is quite topical because we have bill before us in our place. Up until now, Tasmania's biosecurity has been managed under seven separate acts. This is pulling it all together and a lot of regulations will come in once it has passed. I refer to budget paper 2, volume 1, page 253. Funding is set to gradually rise through to 2021 at \$21 023 000 and begins falling. Is this associated with the state's new biosecurity measures?

**CHAIR** - There is no footnote to give any clue, something to note for next year's budget papers.

**Mr BARNETT** - It is a fair question based on the budget papers and there is a very good answer

Thank you for the question. Consistently since 2014, we have delivered additional funding for biosecurity because it is a top priority, absolutely, and there is a bill in your House and that is what we are discussing, and noted that.

Front line, biosecurity continues to respond to the risks and changing demands. Yes, we have confirmed the total of \$30.36 million investment in Biosecurity Tasmania. We are investing an additional \$2.6 million per year into frontline biosecurity to keep Tasmania fruit fly free and free from other pests and diseases, and to maintain access to premium markets.

When we came to Government in 2013-14, spending on Biosecurity Tasmania was \$20.8 million. This financial year 2019-20 it is \$30.36 million. You have noted the changes over the next four years, which is understandable, as per the budget papers. That is because there has been a drop-off in funding support from the federal government.

We have had the fruit fly incursion and there was a very significant input into that. That cost has been reflected in the budget papers.

**Mr GAFFNEY** - Minister, where did you get your \$30 million?

**CHAIR** - You are talking about expenditure, not appropriation, I think.

**Mr BARNETT** - It is \$30.6 million.

**CHAIR** - It is on the expenses, not the appropriation. That is, the expenses which include the Commonwealth money I guess. The appropriation is on page 253.

**Mr BARNETT** - Perhaps if I could pass to John and we will clarify that.

**CHAIR** - Maybe explain the difference between the expenses and the appropriation. Then if I have another question after that.

**Dr WHITTINGTON** - Table 2.14 is revenue by appropriation so it is the appropriated revenue from the Government. For Biosecurity Tasmania's expenditure which is a better measure of activity, our funding comes from appropriation as described in table 10.14 but also from money that we retain through fees and charges along the way.

For example, we charge importers fees for looking at goods that we import and various other things, quarantine clearance fees and the like. We also generate revenue through our laboratories for services that we provide to agricultural sector primarily, whether it is in the plant space or the animal space.

The expenses summarises all of our expenditure which is from appropriated revenue, from retained revenue and also from Commonwealth grant programs and for work we undertake on behalf of the Commonwealth. We have a service level agreement with the Commonwealth and provide their inspection services for international arrivals that land in Tasmania. We undertake that work on behalf of the Commonwealth and they pay us to do that.

For example, if an international cruise ship, its first port of disembarkation is Hobart, it will be our staff that do the clearance on behalf of the Commonwealth.

**CHAIR** - On this point, there was a discussion - and I can't remember who it was with, some members of the committee - about fines and fees, whether they go straight back to the public account or whether they go back to the department.

What I am hearing from you John, is that some of the fees here are definitely retained within your department. There are some fines that are issued through various aspects, they may be biosecurity fines as well, do they get retained by you?

**Mr BARNETT** - It is a mix.

**CHAIR** - It is a mess did you say?

**Mr BARNETT** - It is a mix. Not a mess.

**Dr KLUMPP** - Currently we have some fees which are retained by us and some regulated fees go back into consolidated revenue. All fines go to consolidated revenue but the animal welfare fines actually are then diverted back into an Animal Welfare Trust Fund.

**CHAIR** - Under the new Financial Management Act they must be shunted off. Is that a true trust account or is it a special purpose account? I will have look in budget paper 1. I can find that myself.

**Dr KLUMPP** - I know it as the Animal Welfare Trust Fund.

**Dr WHITTINGTON** - I know the question. My understanding is that however it is organised, we will still have access to it.

**CHAIR** - It is not a trust account then. You wouldn't have access to that.

**Dr WHITTINGTON** - I can ask my finance person.

**CHAIR** - Do you have a breakdown of what goes where into the mix and the amount of each?

**Mr GAFFNEY** - The question Ruth asked was about the fines and where that goes. Especially in light of the new regulations coming in with the new bill, they are quite substantial fines, the maximum penalties if somebody is caught, to have an offence. For a corporation it could be \$1.5 million in excess of and for an individual and that is the fine. That would be going back to consolidated revenue, back to the Treasury. They wouldn't let you guys have that much money?

**Dr KLUMPP** - I think at the moment that is what would happen.

**Mr GAFFNEY** - They would take that because it is part of the act.

**Dr KLUMPP** - That is under the new legislation.

**Mr GAFFNEY** - Yes, under the new legislation.

**CHAIR** - What was the name of that account?

**Dr WHITTINGTON** - You won't find it there. It is not significant enough to have its own account but it will sit within the department's trust account, I have been advised.

**CHAIR** - Which trust account? In a true trust account?

**Dr WHITTINGTON** - Maybe I can get our finance manager to describe it.

**CHAIR** - It sounds like something is being hypothecated back.

**Mr BARNETT** - Adrian Pearce, Finance Manager.

**Mr PEARCE** - Some of the small accounts like animal welfare are still kept within the department's trust account. As part of the new FMA, large trust accounts have been separated. This is one that has not because the amount, off the top of my head is about \$20 000 so because of its size, it is still retained within the department.

**CHAIR** - That will be reported in your annual report then?

**Mr PEARCE** - Yes, it will be part of our financial statements and the transactions that occur will be within our financial statements.

**CHAIR** - Through you minister, which fines go into that? Fees or fines?

**Mr PEARCE** - Fines. Animal welfare.

**CHAIR** - Cruelty to animals and that sort of thing goes into that. What is the purpose of that account?



**Dr KLUMPP** - That sits with the Animal Welfare Advisory Committee

**CHAIR** - To do?

**Dr KLUMPP** - To be dispersed as the minister chooses. Sometimes it may well be a scientific assessment of a particular action under legislation or for animal welfare purposes. It has to be used for animal welfare purposes.

**CHAIR** - Promotion of animal health matters or something?

**Dr KLUMPP** - We could use it for that. We have actually talked about providing that sort of advice to the minister that we could use a bit of that money for animal welfare education. That hasn't been done.

**Mr BARNETT** - It's not a significant amount money.

**Dr KLUMPP** - It is not a large amount of money.

**CHAIR** - No, I understand that.

**Mr BARNETT** - Is it less than \$20 000?

**Dr KLUMPP** - I haven't got that in front of me but approximately \$20 000. Don't quote me but it is about \$20 000 per year.

**Mr PEARCE** - The balance currently would be around \$20 000 so there are ins and outs.

**Mr GAFFNEY** - Thank you very much. We heard information at recent briefings that the new biosecurity measures provide for a reimbursement scheme for biosecurity-related monetary loss. This is also mentioned on the website.

Has the Government estimated the cost of this scheme or what is the process and how will the funding be assessed and disbursed? I know that will differ depending on the biosecurity infringement or situation but if you are going to have a reimbursement scheme, there must be some guidelines on how that would be processed. Any information you could provide on that would be helpful.

**Mr BARNETT** - Are we talking about the additional frontline biosecurity measures that are included in the budget, the \$2.626 million per annum because I can speak to that, or are we talking about what happens to the fines and where that money goes?

**Mr GAFFNEY** - On your website it talks about, 'and monetary reimbursement for biosecurity related loss'. If a farmer loses money, how are you going to handle that compensation within the budget area?

**Dr KLUMPP** - One of the challenges for us now is that we are dealing with framework legislation and there is a lot of work still to do. The framework legislation sets up a suite of tools. That legislation is a tool-box to enable us to do things in various ways.

Depending on the actual response at the time or program, the way that owner reimbursement is set up will vary. It could vary from as little as here is an industry or government program to control a pest in a local area.

The reimbursement costs may be very small to something like fruit fly where clearly, it would be quite large. How we set those up still has a fair bit of thought to go into them. What we have done with biosecurity legislation is build a toolbox to enable it to happen in various ways.

The whole point of the owner reimbursement provision is the remove disincentive for people to do the wrong thing in terms of reporting etc as well as natural justice. If we take something of somebody there is some natural justice in reimbursing for what we take.

I do not think we or the Government could ever promise that reimbursement would fully compensate somebody for the impact that happens. But what we have done is build a system and tools within the legislation for flexibility for the way it happens.

**Mr GAFFNEY** - We could go back to our other point about where the money would go if they were fined for an infringement on a biosecurity. There would be good case to go to Treasury and this person has been fined for this offence, we need to reimburse the person impacted.

That will come through the regulations and such. The other question has been answered are there any other question on Biosecurity otherwise I will go to product integrity.

**CHAIR** - In the Biosecurity Tasmania Borders I know one of your sniffer dogs retired recently after a long and successful career

**Mr BARNETT** - We gave Hunta a special celebration and send off at Agfest.

**CHAIR** - You intend to double the biosecurity dog detector teams have now.

**Mr BARNETT** - We have already doubled from six to 12.

**CHAIR** - You have 12 now are they based all around the state.

**Mr BARNETT** - The answer is yes, but perhaps if Lloyd could detail.

**Dr KLUMPP** - We have 12 functional teams. We do have a succession planed for Hunta and a senior dog trainer and puppies coming through. Those 12 team are distributed around the state.

**CHAIR** - How many are based where.

**Dr KLUMPP** - They move around. The majority of our imports come through the north of the state. Horticultural imports come through the north of the state and where the majority of our dog teams are. They do move around.

**CHAIR** - I have not seen a dog at the Wynyard Airport for a very long time, do they ever visit there?

**Dr KLUMPP** - Low risk

**CHAIR** - I know, as that is where I fly in and out of.

**Dr KLUMPP** - They do and we have access to cargo manifests and those sorts of things so we have an officer who does that assessment.

**CHAIR** - The one that stands at the door and asks you if you have anything.

**Dr KLUMPP** - We have a central coordinator who understands where the risks are and sends dogs to the appropriate place.

**Mr GAFFNEY** - Are you going to ask your gender balance question or not?

**CHAIR** - Yes, of the trainers and the handlers.

**Dr KLUMPP** - Absolutely, probably most of them are. Rhonda is our senior trainer, I haven't actually thought about it but most of them are female.

## **6.2 Product integrity**

**Mr GAFFNEY** - The budget line on page 253 tends to fluctuate and there is no footnote. There's an increase of \$20 000 in 2019-20; in the next year, it decreases by \$172 000; the following year, it increases by \$52 000; and in the following year, there's a negative of \$55 000. It might just be an accounting process. I'm always amused when I see no footnotes saying it's decrease or increase. I know it's only a smaller sum, but for product integrity you'd think that would be fairly balanced.

**CHAIR** - Is the new board of Brand Tasmania funded out of this?

**Mr BARNETT** - No.

**Mr GAFFNEY** - I'm interested why it fluctuates.

**Mr BARNETT** - Can I check on product integrity? It's a fair question. I don't know the answer, I'll need to check with the department, and we can certainly get back to you if we don't have the answer with us at the moment.

**Dr WHITTINGTON** - I'm just trying to remind myself; I'll come back to it if you want to keep moving.

**Mr BARNETT** - We'll come back to it.

**Mr GAFFNEY** - Product integrity encompasses a variety of products that are regulated under different instruments. For example, commercial meat production is under the Primary Produce Safety (Meat and Poultry) Regulations 2014, whereas dairy produce falls within the remit of the Tasmanian Dairy Industry Authority. Does the Government keep track of the proportion of funding attributed to each type of produce, and is that possible? Do you understand? If you have different products and you're looking at product integrity, do you allocate certain funds out of this, or how do you manage that, or is that not possible?

**Dr KLUMPP** - Minister, I think I could have a crack at that.

**Mr BARNETT** - Well, have a crack at it, Lloyd, and we'll see where we go. Go ahead.

**Dr KLUMPP** - Product integrity is actually three major elements. We have a primary produce food safety program, the one you were talking about; an agricultural and veterinary chemical program; and traceability is another program. The primary produce safety program, the food safety program, covers all commodities, but it's broken up into different elements and each of those elements is funded in different ways. For example, the dairy industry staff, the TDIA, is actually self-funded by industry, whereas the meat industry we regulate largely now through third party auditing systems, and so all we need to do is provide the auditing of the auditors and that robustness to ensure that we're confident with the system. The skills and resources that we have can go across eggs, chicken, red meat and seafood because of the model that we have. The actual deployment of those resources is then based on risk. You'll see that we have more resources devoted to seafood because it's a higher food safety risk than red meat, for example.

**Mr GAFFNEY** - Does that change in different circumstances, with different risk processes?

**Dr KLUMPP** - It changes in terms of the environment we're operating in. There has been some dramatic change in the risk around seafood since 2012 because of harmful algal blooms, and that has changed the focus of where our activity is.

**Mr GAFFNEY** - All right. That's a good example because I was going to go on to the current status of the Pacific oyster mortality syndrome in Tasmania. That was touched on in Estimates in 2017. Do you have any idea of how much this has cost the Government to date, and what is the expected future cost incursion as a result of POMS? Do you have a value figure for that product that has been under fire through that disease, and the future incursion costs of that? Is that something you measure?

**Mr BARNETT** - Yes, well, in part. In terms of the industry assistance POMS has been a really big issue. We try to work closely with Oysters Tasmania and we continue to work closely with them. We thank them for their diligence and the successful management of POMS. It does require active management. Active POMS disease was again confirmed at oyster farms in south-eastern Tasmania in the recent summer. Surveillance testing confirmed that oyster farms in the north of Tasmania remain free of POMS, so the management of POMS requires an ongoing effort by industry and government. Ben Cameron is the president and I am thankful for his leadership.

In terms of our assistance to the oyster industry assistance, yes. Biosecurity Tasmania has provided that assistance and the industry appears stable at the moment. We have regulatory measures, permitting, systems and inspectors are providing advisory assistance. Three of the four hatcheries have achieved accreditation as biosecurity facilities to produce spat from infected brood stock for all Tasmania, including the north free area.

Financial assistance has been provided to pacific oyster growers through a \$7.6 million state assistance package announced in April 2016. Additional funding of \$255 000 per annum for three years has been provided to support the industry's implementation of biosecurity and POMS recovery measures. These assistance measures have all ceased apart from the POMS inspector position ending on 11 July 2019. Discussions underway with industry in the first half of 2019 will inform the future control program arrangements including the role of DPIPWE beyond June this year.

We have worked closely and I want to credit the former ministers, Jeremy Rockliff and Ms Courtney for their leadership. I have only been in that role since 31 October but it is a huge issue and it is still a challenge. I will see if Lloyd would like to add anything to that.

**Dr KLUMPP** - Only to say that we recognise the impact on the industry. It has been real and significant, and it is an example of us working closely with industry to mitigate the damage long enough for industry to adjust to the presence. That adjustment has largely been through the development of resistant strains of oyster. There is still a way to go for that to happen, but there is a recognition that we have to live with this disease now. We have regulatory measures in place, those permit systems, to prevent the spread throughout the state. Those sorts of things have mitigated the damage and have given the industry space to adjust to the presence of the disease.

**Mr GAFFNEY** - The dedicated biosecurity officer put on in 2016 will not be needed after 2019? Where does that person reside? It seems to me you have a handle on it and you are taking that role away because it is not needed anymore.

**Dr KLUMPP** - No, we are talking with the industry about shifting to a different model of regulating the movements, which is a critical element. That officer has done a power of work in putting the biosecurity systems in place for those hatcheries to be accredited, setting up a movement permitting system; those sorts of controls. None of that work is needed any more. We need to shift to a system that is automatically self-regulating and we are working with industry to do that.

**Mr VALENTINE** - Did you mention the varroa mite and the significant impact that could have on our bee populations? We talked about it during the biosecurity bill briefing.

**Dr KLUMPP** - It is number one threat to our honey and pollination industries and it is knocking on Australia's door. There are sporadic detections of varroa mite - not all the nasty one - at our borders and there is a detection in North Queensland at the moment, in the last few days, that has not yet been classified so we don't know whether it's the nasty one. We recognise that it's a problem and it's a high risk. Mitigating that risk is a lot of work that we and the biosecurity agencies across Australia are doing. There is a national biosecurity program running out of Plant Health Australia, which we participate in. We have a full-time bee biosecurity officer working entirely in that area, supported by our generic officers.

The national bee industry has developed a national bee biosecurity program with input from all the government agencies, including our office. The implementation of that is being rolled out. We have surveillance systems at the major ports of entry around Australia and in Tasmania. We recently had an exercise with our apiary industries focused on what happens if we detect varroa mite. It is real and significant risk but we are doing a lot of work to prevent it, to mitigate that risk and prepare for those detections.

**Mr VALENTINE** - How many years ago did bumblebees arrive?

**Dr KLUMPP** - Twenty-three or 24 years ago.

**Mr VALENTINE** - That is not going to save us if our European bee population is wiped out?

**Dr KLUMPP** - No, the bumblebee pollinates in a different way to the way the European honey bee does. They are buzz pollinators as compared to compact pollinators so they are not the solution.

**Mr VALENTINE** - Native bees are not an option for us.

**Dr KLUMPP** - I don't believe they reproduce quickly enough. I am not sure of the science. I know there is a bit of work being done in that area but I don't believe they will be a solution.

**CHAIR** - They need to lift their game.

**Mr VALENTINE** - Either that or we have to come down to their game. We might be forced to.

**Dr KLUMPP** - Our primary focus is protecting the one that does the job for us right now.

**Mr VALENTINE** - That is right and they are important for the cropping industry.

**Mr BARNETT** - Through you, Chair, Mr Gaffney asked about funding fluctuations, I would ask the secretary to answer that question.

**Dr WHITTINGTON** - There are several things at play that cause the uneven surface. On one hand we have indexation across the forward Estimates that increases year on year funding. We also have two programs coming to an end. One is the funding associated with the POMS industry support package, which concludes at the end of 2021. There is also the end to funding to the Oyster and Shellfish Real Time Sensor Monitoring Initiative in 2022-23. We have those stepping down on a trending upward line, which gives you the sawtooth effect.

**Mr GAFFNEY** - Thank you.

**CHAIR** - We will move to 8.2 Crown Land Services.

## **Output Group 8 Parks and Wildlife Management**

### **8.2 Crown Land Services -**

**Mr BARNETT** - Thank you very much, Chair.

**CHAIR** - Would you like to introduce your new team member?

**Mr BARNETT** - Yes, I would. It is Jason Jacobi, head of Property Services.

**Ms LOVELL** - Minister, how many new grazing licences on crown land has Property Services authorised in this past year?

**Mr BARNETT** - Thank you for the question about crown land services. We also have the Parks and Wildlife service, but I am sure we can assist the honourable member. I will see if the secretary or Jason Jacobi can assist with respect to crown land.

**Mr JACOBI** - I don't believe I have the breakdown of grazing licenses today. We are happy to provide you with a number.

## UNCORRECTED PROOF ISSUE

**Ms LOVELL** - That is fine, thank you. Could you also provide information about new access licences on crown land? I am assuming you might need to take that one on notice as well.

**Mr JACOBI** - The 2018-19 financial year included 70 leases and 198 licence dealings but we haven't got a breakdown of access licences. I will see if I can find that as well for you.

**Ms LOVELL** - That's fine, we can put those on notice.

Minister, how much crown land has been sold in the past 12 months?

**Mr BARNETT** - In terms of crown land sales, sale of crown land by Parks and Wildlife and Treasury during the period from 1 January 2010 to 24 May 2019, 677 parcels.

But you are looking for the last 12 months.

**Ms LOVELL** - This financial year to date.

**Mr BARNETT** - The total area of crown land sold by Parks and Wildlife to 24 May 2019 in the 2018-19 financial year was 22.76 hectares with an average parcel size of 0.84 hectares. The most common reasons for wanting to purchase crown land are to rectify an encroachment, provide necessary additional area for a development or secure an access. The total area of crown land sold by Treasury in 2017-18 was 22.7 hectares, with an average parcel size of 1.19 hectares. These standalone parcels are usually sold by tender or public auction.

The Treasury has sold four properties in 2018-19 with a total area of 0.24 hectares or 2493 square metres.

**Ms LOVELL** - Minister, what percentage of land sales, land access, grazing and other licences have been disputed by neighbours in the past 12 months?

**Mr BARNETT** - I will have to check on that. Thank you for the question. We are happy to take it on notice, unless Mr Jacobi has an answer.

**Ms LOVELL** - I can put it on notice.

**Mr JACOBI** - That would be an incredibly difficult figure to determine. I could suggest though that they are the smaller number, rather than larger. Most of the disputes that come through relate to freehold property owners who have a contentious issue over access to their properties and they are less common than most of the encroachment issues that we deal with. Most of the land or sale transactions are to do with things like a house or a shed which unfortunately has been built over the property boundary and the owner is seeking to resolve that issue.

Unfortunately, we do get the occasional circumstance where there is a dispute over the rights to access a particular property and often a complex negotiation is required to resolve that issue.

**Ms LOVELL** - Minister, if you are happy, we can put that on notice and see what you are able to come up with.

**Mr BARNETT** - We will do what we can. That's a complex question and a complex area but I am happy to take it on notice and respond.

**Ms LOVELL** - I understand, thank you.

**Mr JACOBI** - I want to clarify: are you looking for an approximate percentage of the total number of sales or access licences?

**Ms LOVELL** - Or licences that have been granted.

**Mr JACOBI** - That have become a dispute of some sort?

**Ms LOVELL** - That is right, yes.

**Mr BARNETT** - We will do what we can to assist the honourable member.

**Ms LOVELL** - Minister, has the dispute between [names withheld] and Crown Land Services been resolved?

**Mr BARNETT** - Let's check on that one.

**CHAIR** - We need to caution against going to individual private cases but I am happy to have an overarching response.

**Mr JACOBI** - I will be very cautious not to refer to the individual property owners. I think in the interests of maintaining their privacy, it's important that I don't mention the particular names of the parties. There are two disputes - let's call them disputes - on foot in the Heybridge area. The two disputes can be broken down into dispute A.

Dispute A is between two parties and the dispute primarily revolves around access for the movement of cattle between various paddocks. A solution has been presented to both of those parties. One of the parties has fully agreed, supported and accepted the solution.

The other party has now decided that they don't fully accept the solution and wish to enter into mediation. I am convening a mediation between the two parties in August of this year, by an independent mediator, to see if we can come to some resolution about how that access will be resolved long term.

In relation to the second dispute, dispute B. That relates to a reserve road that links, let's call it a main access road, and several private properties.

The road is used for multiple purposes. The reserve road is used for agriculture, access for the movement of livestock, and access also by a third party for the movement of a passenger vehicle to and from a residence.

A proposed solution has been submitted to all three parties for consideration, and I am now awaiting advice back from them as to the positives and the negatives of that solution.

I believe confidently it is the best long-term outcome but it requires some give and take from each of the parties to achieve that outcome.



In the absence of getting resolution, it is likely that we will have to fall back to a secondary option which I don't think is optimal. Nonetheless, we have gone a long way towards resolving what is a very longstanding, historical dispute.

**Ms LOVELL** - Has Crown Land Services reviewed its policies and procedures in the wake of recent Crown Land disputes around inactive reserve roads?

**Mr BARNETT** - No.

### Grants and subsidies

**CHAIR** - I did have one question here. In relation to the grant to IMAS, it says in the footnote notes that the increase in 2019-20 reflects additional funding for IMAS to provide additional research into fishing and marine farming industries and ongoing support for the assessment of new and sustainable fisheries opportunities.

Are they undertaking a particular body of work with that additional funding, or is that to support their ongoing research?

**Mr BARNETT** - Well, fortunately I am sitting next to a director of IMAS, who is also the secretary of the department.

**Dr WHITTINGTON** - This was part of an election commitment of the government, so it is additional funding to IMAS. This expenditure will be a part of the consideration of SMRAC, which we described earlier today. It will go to the most appropriate need.

**CHAIR** - It is not for a particular purpose. It is to provide additional funding for whatever they need to do?

**Dr WHITTINGTON** - Whatever the Government's priorities are.

**CHAIR** - That was all I had on Grants and subsidies. Anyone else?

### Capital Investment Program

**CHAIR** - On page 247, the Agricultural Research Development and Extension White Paper - Modernise Our Research Farms. This seems quite a lot of money to be spent on a white paper or is it to fund other things besides a white paper?

**Mr BARNETT** - No. This is for the work taking place on those research farms.

**CHAIR** - It is the actual upgrade of facilities and things. The way it reads it looks like it is the white paper.

**Dr WHITTINGTON** - It is one of the outcomes of the white paper that has been funded, so it's written that way, because modernising farms was an outcome of the white paper process.

**CHAIR** - A footnote might have helped explain that. When you look at that, that's how it reads.

## UNCORRECTED PROOF ISSUE

**Mr BARNETT** - Good question. That's why we are here - to try to help.

**CHAIR** - With the move of the 100 DPIPWE staff to the north, which we talked about earlier, another \$400 000 is to be spent in upgrades to the facilities. It may take longer than that to achieve your move of the 100 staff. Is that a fair comment? It is about capital expenditure to upgrade those facilities only?

**Mr BARNETT** - I think the \$400 000 in 2019-20 is for the capital upgrades and renovations. I will double-check with John.

**Dr WHITTINGTON** - That is correct. The capital component of the \$2.4 million election commitment was \$600 000, of which we spent \$200 000 in 2018-19 and then the balance in 2019- 20.

**Mr VALENTINE** - Have any projects been delayed?

**Mr BARNETT** - In the department?

**Mr VALENTINE** - Under the capital investment program.

**Mr BARNETT** - The capital investment program?

**Mr VALENTINE** - Yes.

**Mr BARNETT** - I will just check on that.

**Dr WHITTINGTON** - Yes. I believe that some of the money associated with the improved boat and trailer parking has been carried forward into this year. You can't see it the way that table is presented. I believe that the planning works for that are underway now and so the expenditure has been brought forward.

**Mr VALENTINE** - Did the delay in that planning work cause it to be pushed out or is it some other factor?

**Dr WHITTINGTON** - It would just be the planning works. I might just get a look over my shoulder.

**Mr BARNETT** - I can assure you it is very important work for the recreational fishing sector.

**Mr VALENTINE** - I am sure it could be.

**Mr BARNETT** - There are a lot of good initiatives in the promises that we gave prior to the election that will rollout over the course of the election. John's indicating that we can do it sooner rather than later. There is a lot of support for the upgrades to jetties, to the fishing aggravation devices. We are working with MAST on some of those initiatives. They are progressing. John did you want to add anything to that?

**Dr WHITTINGTON** - No. The planning process is taking longer. We have access to the money, it is just that we are going to have to carry that money forward into next year. It is not reflected here yet but it will be spent in the appropriate time.

**Mr VALENTINE** - The other projects such as modernising your research farms, fisheries, digital transition program and the bee industry's future report are all travelling as intended?

**Dr WHITTINGTON** - They are travelling on track.

**Mr VALENTINE** - Thank you.

**Mr GAFFNEY** - I have a question. If the responsible authority for recreational fishing is MAST. Why -

**Mr BARNETT** - It crosses over.

**Mr GAFFNEY** - does this line item show in MAST funding as well? Who has the responsibility for doing this work? MAST?

**Mr BARNETT** - There is a crossover there. I am responsible for recreational fishing, MAST is responsible for safety, marine and safety across Tasmania. I am certain they do not do double counting. I will ask John to explain how that operates.

**Mr GAFFNEY** - MAST is also responsible for recreational facilities.

**Mr BARNETT** - There is a crossover. My point is that we made certain commitments at the election, we will implement those promises. Those promises were made at the election, we are implementing those promise, we are rolling out those commitments. We are not doubling up but they will be met and they will be undertaken. I will ask John to comment.

**Dr WHITTINTON** - For example, if we take the improved boat and trailer parking, MAST has a key interest in that. Most of the land upon which the improvements will be made will be crown land. The minister has a crown land interest and from a fishing perspective the minister has an interest as well. We work collaboratively with MAST. The funds are flowing through our output group but we will work collaboratively. On the improved boat and trailer parking, the civil works required will be most likely commissioned out of crown land services because Parks and Wildlife and Crown Land Services combined have those types of skills. We have a shared objective, the funds have to sit somewhere so they are sitting within my agency. The minister has responsibility for delivery.

**CHAIR** - Any questions on capital investment? Thank you minister we will close off this portfolio and go onto Veterans Affairs in a moment.

**Mr BARNETT** - We did have an answer to a question that you asked so I will pass to John.

**DR WHITTINGTON** - On the balance of the Animal Welfare Trust we speculated. I want to give you an accurate number. The current balance of the Animal Welfare Trust is \$129 000.

**Mr BARNETT** - Thank you, John. I will see if John Diggie, head of the Inland Fisheries Service, is here. I thank John and his team for their wonderful work. We have a very strong and comprehensive range of initiatives to support Inland Fisheries Service. We have a world-class trout fishery. I am a keen angler and one of my dreams come true is to be the minister for trout fishing and fishing generally. Living the dream.

## Inland Fisheries Service

**Mr BARNETT** - There are really big commitments and a lot of initiatives. I don't have time to go through them all but I'm happy to take questions. We have commitments for upgrading toilets and conveniences at all the World Fly Fishing Championship sites as well as popular angling sites around Tasmania. There are 26 000 trout anglers in Tasmania.

We have funding support for Anglers Alliance Tasmania, funding support for the Anglers Access Program, funding support to keep angling licence not increasing at CPI, encouraging kids and adults alike to get a licence. We have funding support for the World Fly Fishing Championship in the first week of December.

I would like to report very good progress in the carp eradication program. I thank John and his team for an incredible effort over a long period of time. Lake Crescent was completed in 2007 and reopened to anglers. There are now estimated to be fewer than 20 carp in Lake Sorrell. The end is in sight for all those anglers who loved Lake Sorrell. I have a few stories on Lake Sorrell if you ever want to ask me but not today. I would like to put on the record again a thank you to John and his team at the Inland Fisheries Service.

**CHAIR** - You have answered Mr Finch's first question, which was regarding carp. Mr Finch's next question is -

I am not a patient fisher but the World Fly Fishing Championship later this year is exciting. As exciting as the long-defunct Shannon Rise was before the Great Lake was extended. Can you give us an outline of how this year's event will be organised and what it will achieve for Tasmania?

**Mr BARNETT** - I can. I will try to summarise it for you and John can fill you in. There will be 30-odd teams from across the country and around the world. The last time it was held in Tasmania was 1988. Of those 30 teams, about 800 coming to Tasmania for the first week in December. Many will come sooner to prepare and practice in advance and some will stay longer. I did a video a few weeks ago with John's support to promote to promote Tasmania as a world-class trout fishery. Yes, we have a world fly fishing championship, but we want to leverage off that for Tasmania's sake. For tourism and trout fishing anglers from around the world to come to Tasmania to stay here and enjoy it, and for Tasmanians to enjoy it. There are upgrades at the three lake sites - Little Pine Lagoon, Penstock Lagoon and Woods's Lake, and then the Meander and Mersey rivers. The centre for the anglers will be Launceston and there's a lot of work going on - thank you to Malcolm Cross and his team. It is very encouraging we have a number of Tasmanians in the Australian team. I encourage all Tasmanians to get out there and support the event and enjoy themselves. John, what else would you like to add?

**Mr DIGGLE** - You have covered the fly fishing championships well minister. Unless there is any particular element?

**Mr GAFFNEY** - What funding item? How much money?

**Mr BARNETT** - There is \$100 000 from the state Government.

**Mr GAFFNEY** - From the state Government. Does that match with anybody else?

**Mr BARNETT** - Absolutely. Hydro Tasmania has committed funding support, and the Cattle Hill Wind Farm proponents have committed \$50 000. Huon Aquaculture has committed funding support, I am not sure how much, as have other sponsors and supporters. There are many of them.

**Mr GAFFNEY** - And would Hydro be involved with guarantee flows of water?

**Mr BARNETT** - There is ongoing discussions with Hydro Tasmania, and it has been very supportive and cooperative to the organiser of the World Fly Fishing Championship in terms of lake levels, for example. Working through John to ensure we have a world-class trout fishery. The fires were an issue earlier this year around Little Pine Lagoon and Penstock. It is greening up again and improving and we are confident those lakes will deliver a world-class trout fishery for our world-class anglers when they get here in November and December.

**Mr GAFFNEY** - Thank you. Do they stock some of those lakes for the championships or is it what's there?

**Mr DIGGLE** - Yes. Penstock Lagoon is a stocked fishery, so we transfer wild fish into there and is normal practice. Nothing above what we normally do.

**Mr GAFFNEY** - No extra costs associated with what you would normally do?

**Mr DIGGLE** - No.

**Mr VALENTINE** - Upgrading amenities at high visitation trout waters. How is this tracking?

**Mr BARNETT** - Tracking terrifically well. It was a promise and now a commitment and they will all be on track commencement of the trout fishing season on the first Saturday in August this year. That is the target and John can provide an update. There are 10 or 11 sites for toilets available. For example, Four Springs is one of the most popular in northern Tasmania, and under construction. We are trying to make sure that is all done prior to the commencement of the fishing season. It will be truly done and dusted prior to the Fly Fishing Championship.

**MR VALENTINE** - The \$300 000 has been sufficient?

**Mr BARNETT** - That is my understanding and I will check with John.

**Mr DIGGLE** - We are on budget. There are 10 locations and on track and under construction, roofs and walls have all gone on in the Central Highlands. The last one at Four Springs will be a bit later, but ready for the trout season.

**Mr GAFFNEY** - Are they permanent structures or just temporary for the championships?

**Mr DIGGLE** - These are full concrete structures. They are permanent, sort of a legacy.

**Mr GAFFNEY** - Terrific.

**Mr BARNETT** - It is really good. It is a long-term benefit to the trout fishery.

**CHAIR** - Not everyone fishes, minister. Some people sit and read a book beside the lake.

**Mr BARNETT** - Absolutely. And their partners and supporters and anyone who visits.

**Mr VALENTINE** - Access to those locations? Road infrastructure and all those sorts of things are up to scratch?

**Mr BARNETT** - They can always be improved. I would have to go to the Treasurer and see if we can improve it even further, but there is certainly access to all those facilities.

**CHAIR** - Another question from Mr Finch -

We have \$215 000 over four years to support the Anglers Alliance - not a lot to support a peak group representing 26 000 trout anglers. Shouldn't we be doing more for one of Tasmania's key visitor assets in terms of the Alliance he is referring to?

**Mr BARNETT** - Yes, I am aware \$215 000 over four years for Anglers Alliance Tasmania - of course that's a whole lot more than zero dollars from before we were in government - but the answer is yes, we would always like to do more. But we are working with them, cooperate with them. Gary France, who is the president - I work well with him, I cooperate with him. He feeds into IFS. We work cooperatively so it is a team effort, Team Tasmania, and we are delivering. I am sure if you talk to Anglers Alliance, they would express a view of positive consultation and collaboration.

**CHAIR** - What do you expect them to use that funding for, particularly?

**Mr BARNETT** - To encourage trout fishing to start with, but also for promotion and marketing of Tasmania and our trout fishery. John, do you want to add to that?

**Mr DIGGLE** - Yes. Anglers Alliance has a lot of clubs and associations as part of their membership, and they've been running the junior angler programs for us. That is really important to encourage our participation in the fishery. We also have a big set of webcams around on the fisheries. They are maintaining that out of their funding. That is at popular fisheries - at Four Springs Lake, up Penstock Lagoon, Little Pine Lagoon. You can jump online and see who is on the water and what the weather is like and that sort of thing.

**CHAIR** - See if they are catching anything?

**Mr DIGGLE** - Yes. You might see them catching something. You can see what the conditions are like and if there are lots of people about. That service has been really popular.

**CHAIR** - This question flows on from that one to some degree. The cost of trout fishing licences is seen by some as discouraging young fishers, and the freeze on prices is to be commended and welcomed. What efforts are being made to further encourage even more teenagers and young people to go trout fishing? Are you doing anything additional to the freeze on the licences?

**Mr BARNETT** - Yes, absolutely. John has touched on it. There are a whole range of initiatives, but we have special fishing days for young people. There are a lot of angling clubs around Tasmania, and they do a terrific job in their local area to promote young people to fish. I certainly communicate with them, and I know John does in IFS. We have a very good working

relationship with them. We have the trout expo at Cressy, and the \$10 000 trout that people try and catch. That is an encouragement. There is a lot of interest in that. There are a lot of different things we are doing. Is there anything else you want to add?

**Mr DIGGLE** - I'd just mention the Gone Fishing Days. We will be supporting that, it's a national day, and coordinating with Anglers Alliance for their junior event. They have an annual event based around that Gone Fishing Day. That is an important support to junior angling.

**Mr GAFFNEY** - Just a comment. The only thing I find wrong with the junior angling days is every kid who catches a fish thinks that it's that easy to go and catch a fish, and then they go out and they all walk away with good size fish, and oh, 15 minutes and I haven't caught a fish. It is an interesting conundrum.

**Mr BARNETT** - That was a bit like that a couple of weeks ago at Liawenee with the trout open day and they had the dam there for all the kids to fish -

**CHAIR** - So heavily stocked you could hardly miss. A pretty uneven hunting field. Mr Finch suggests it is just his faulty perception, but he has the impression that trout fishing is less popular than it was years ago. What is your view on that, minister?

**Mr BARNETT** - I don't know. It seems to me it has always been popular. I think we have so much potential in Tasmania to grow and support trout fishing. It is a world-class trout fishery. A lot of people don't realise that. New Zealand has taken a bit of a leadership role there and I would like to see Tasmania lift its game. I think we are doing that with the initiatives we have here. We have a lot of upside to promote more angling at the local level to get young kids involved, boys and girls and men and women. There is a lot more we can do. I see it as part of the Tasmanian brand which we talked about earlier.

**CHAIR** - The international competition should assist in this.

**Mr BARNETT** - Exactly, and let's leverage it to promote trout fishing and tourism and Tasmania. In my little video to people from these 30-odd countries around the world who are coming to Tasmania, I promoted Tasmania as well as our trout fishery.

**Mr VALENTINE** - Given the fact that we are a world-class site, obviously there is a fair bit of angst out there about helicopter tourism, if you can put it that way, going to a place like Halls Island. Have you received much feedback from the public, from anglers in particular, probably the Anglers Alliance Tasmania, about their concerns over those sorts of operations impacting on the brand?

**Mr BARNETT** - Yes, I have received feedback from a whole range of people, including anglers, on that and other issues. I get it all the time. I have been to the Westbury anglers' annual dinner a couple of weeks ago, and I have more events coming up in coming weeks. I get it pretty regularly.

**Mr VALENTINE** - How much are they making of it?

**Mr BARNETT** - In terms of that one, there is some concern in terms of Halls Island, which was the point you raised in that part of your question.

**Mr VALENTINE** - That is the one that has been out in the media.

**Mr BARNETT** - Some anglers have definitely expressed concern, and others are not so worried about it. Helicopter tourism is certainly on the go in New Zealand, I can assure you of that. In terms of helicopters in Tasmania, we haven't had that history and background like they have had in New Zealand. We do have a World Heritage management plan, it is part of the World Heritage management plan, and how we operate in those areas. Of course that is outside my portfolio, but I am reflecting on your question more broadly.

**Mr VALENTINE** - It is something that is likely to impact, and I suppose that is what people are concerned about. I was interested to hear what sort of feedback you have received in inland fisheries.

**Mr BARNETT** - Yes, I have had a broad range of feedback from a lot of people, and a lot of anglers, and some for, but mostly concerned, and I have taken that on board. But it is not my portfolio area.

**Mr VALENTINE** - Tourism is not, I understand that.

**Mr BARNETT** - But obviously, we have a mutual interest in promoting angling and our trout fishery, which we work very well together on.

**Mr VALENTINE** - Numbers of people you think would come to the state as a result of trout fishing. Do you have a handle on that?

**Mr BARNETT** - Yes, we have 26 000 licensed anglers; 5000 of those are interstate or overseas. I would like to increase that number significantly. Why should New Zealand be taking international or Australian anglers? I think that's where there is a lot of upside and I see if we leverage it correctly with the world fly fishing championships, we have an opportunity to increase those numbers. That is where I would like it to go, but we need to put in a joint effort with the angling community, Anglers Alliance and others to help make that happen, including Tourism Tasmania and Tourism Australia.

**Mr VALENTINE** - Is the 5000 included in the 26 000, or is it extra to it?

**Mr BARNETT** - No, it is included.

**CHAIR** - One further question from Mr Finch. Table 23.1, Statement of Comprehensive Income in budget paper 2, volume 2, page 88. He says -

This drops away in 2022-23, reflecting the completion of additional funding for a range of our growing world-class inland fisheries initiatives. Given the importance of our inland fisheries resources to Tasmania's image, shouldn't this be ongoing?

**Mr BARNETT** - That will be considered in the context of future budgets, and I think the answer is we are investing now over the next few years with what we are doing, whether it be these toilets and conveniences that we are building, and other special projects, but be assured, if we can pass that back to Kerry Finch, that will be considered in the context of future budgets.



**CHAIR** - Any other questions on Inland Fisheries? Thank you minister. I did overlook that, but it was not on the agenda, so in the other list.

**Mr BARNETT** - No problem.

**CHAIR** - We will move to Veterans' Affairs.

## **DIVISION 2**

(Department of Communities Tasmania)

### **Output group 6**

#### **Disability Services and Community Development**

##### **6.6 Veterans' Affairs -**

**Mr BARNETT** - I introduce Gina Webster, Secretary of the Department of Communities Tasmania, and Kate Kent, who is assisting me in the Veterans' Affairs portfolio.

**CHAIR** - Minister, do you want to make some brief opening comments?

**Mr BARNETT** - I will try to be brief. I'm very excited to be leading this portfolio. We have 10 500 veterans and ex-service personnel in Tasmania and their families. We are very supportive of them. Tasmania does punch above its weight. We have 14 of the 100 Victoria Cross recipients. This year - tomorrow, 6 June - is the seventy-fifth anniversary of the D-day landings. Some will be interested, that is for sure. It is the eightieth anniversary of the beginning of the World War II and the 100th anniversary of the signing of the Treaty of Versailles.

We have a record commitment in funding in the Budget for our veterans, with \$110 000 to the RSL as a peak body, \$50 000 extra over three years as it's per year, \$50 000 per year for three years to the RSL for special projects.

We have the Teddy Sheean grants, as you know, \$100 000 a year for three years, and that is over two lots of grant programs. Happy to talk more about that. Then we have a special grant program or \$225 000 partnership with the Parks and Wildlife Service for a recreation and adventure program, particularly to reach out to younger veterans, which is an important area.

I wanted to put on record my sincere thanks. I have formed a veterans' reference group. It is chaired by Brigadier John Withers, who is doing a terrific job. All the members of the reference group have had a number of meetings now and they do a great job and provide that advisory information to me.

I know each of you would be interested in Teddy Sheean and how we are going with the VC application. At the end of March, I made the application on behalf of the Government. The Royal Australian Navy was the respondent. It was a very positive interaction over those two days with the tribunal. The tribunal is now considering their report and recommendations. Obviously that is confidential. If it is to be successful, it will then go to the Minister for Veterans' Affairs, then to the Prime Minister and Cabinet, then to the Governor-General. If it successful, it even has to go to the Queen to be stamped and given approval for a Victoria Cross.

The next one down is a Star of Gallantry, the second-highest medal for bravery in wartime. We are right up there with a chance. I want to put on record my sincere thanks to Garry Ivory, Teddy Sheean's nephew, and his family. I have worked very closely with them for 16 years. Garry has put in nearly 30 years in support of that award for Teddy Sheean. I also note Darren Chester, the federal Minister for Veterans' Affairs, has supported me in putting forward that application and that opportunity. I appreciate that. Finally, thank you to the team that supports me in the department. I feel very supported in this role and it is an important area. Thank you, Chair.

**CHAIR** - Minister, I find it a bit frustrating when ministers say we are putting in record spending but you look at appropriation and expenditure and it's falling away. I understand it's because of election commitments winding up but we need to be careful with our language. Look at the figures -

**Mr BARNETT** - What page are you on, Chair?

**Ms WEBB** - Page 41. I have a few questions, perhaps I could pick it up.

**CHAIR** - I will go to Meg with questions on this but we heard this from the Minister for Health and other ministers but the appropriations are falling.

**Ms WEBB** - I note, on page 41 and the revenue from the appropriation table, that we have significant decreases after the 2019-20 year in those out-years of 2021-22 and 2022-23. The footnotes say that is due to the completion of election commitments. When I look back at last year's budget papers and those election commitments, several drop away. The Armistice event is a one-year commitment, the Tasmanian Headstone Project was over one year and a couple of others continue for three years but will fall away after 2021. Is the \$135 000 commitment to the Frank MacDonald Memorial Prize and study tour expected to continue past the forward Estimates as an ongoing cost?

**Mr BARNETT** - I'm speaking as the minister and I have to convince the Treasurer and my colleagues of this, but I -

**Ms WEBB** - Is it your intention to aim for that?

**Mr BARNETT** - Yes. You mentioned the Teddy Sheean Memorial Grants Program, which continues for three years. You can understand my commitment to the Teddy Sheean grants but I cannot guarantee that it will happen. You can be guaranteed of my support for that effort on behalf of veterans, to encourage the Treasurer to consider that positively. Don't think we are not treating veterans as a priority because we are. Those decisions will be made in the context of future budgets. We have made election commitments and some of them will drop off. You have mentioned a few already, that is true. There will be future opportunities to reconsider, which happens every year.

**Ms WEBB** - As you mentioned, the Teddy Sheean Memorial Grants Program looks from last year's budget paper to finish in 2020-21. That has been made available for the needs of RSLs and other veterans' groups, for small infrastructure repairs, maintenance and equipment purchases. Are you expecting those needs will continue past that time and is that why you are endeavouring to extend that funding?

**Mr BARNETT** - You are asking what is called a hypothetical question. Who knows exactly what will happen in future budgets? You know of my strong commitment to Teddy Sheean, preserving his name and supporting our RSLs and ex-service organisations.

**Ms WEBB** - Looking at those out years of 2021-22 in the budget paper on page 41, we have \$405 000 allocated revenue from appropriation. About \$200 000 of it looks to support skill development for the clubs and RSLs. I am referring to last year's budget to see what still continues. The Frank MacDonald Memorial Prize and study tour has \$135 000, which is about \$335 000 of the \$405 000. In that year, when it drops away like that to the \$405 000, what else is making up the extra \$70 000 or so that would sit there? Your election commitment to support skill development for clubs and RSLs last year is \$200 000 in that year, and Frank MacDonald is \$135 000 in that year, which takes up \$335 000 or so of that \$405 000 and you have \$70 000 left. What else is covered in that out-year?

**Mr BARNETT** - I will just check with my secretary to assist. We have the Teddy Sheean grants, which drops off after the third year -

**Ms WEBB** - No, I'm not counting that because that doesn't appear in the 2020-21 listing from last year.

**Mr BARNETT** - I will refer you to Gina Webster.

**Ms WEBSTER** - The recurrent funding of \$405 000 you are talking about in 2021-22, I have operational funding including indexation of \$215 000. The RSL peak body funding is \$118 000; Centenary of ANZAC, \$50 000; and ANZAC Day Trust Core Funding of \$22 000.

**Ms WEBB** - The Frank McDonald Memorial Prize and study tour funding of \$135 000 listed in last year's budget papers for that year isn't included in the \$405 000.

**Ms WEBSTER** - It is in the operational figure, the \$215 000 I mentioned.

**Mr BARNETT** - If Kerry Finch were here, he'd be speaking about it and how wonderful the program is.

**Ms WEBB** - I am sure many others have heard that before and I have probably read it in *Hansard* from last year's Estimates. I am sure it is a wonderful program and I hope it does continue.

In Estimates last year, you spoke about the peak body funding for RSL Tasmania and you mentioned that, 'there are certain terms and conditions and milestones to be achieved under that funding'. The context was in discussing the role of the RSL as a peak body to provide support to sub-branches to adapt and develop their business models to meet the needs of their members as those change over time. Can you explain those requirements, milestone or activities attached to that peak body funding and what has been undertaken by RSL in that time?

**Mr BARNETT** - Yes, I can give you a broad response and I will ask the department to do that because KPIs are a departmental matter. I can't get involved in operational matters, as the minister. The instructions were to assist RSL to relate to modern day circumstances and to adapt accordingly. There are over 50 RSL organisations around Tasmania.

Terry Rowe resigned last year. Robert Dick has been elected as the new president. The RSL has committed to remaining relevant to Tasmanians. Some RSLs are doing it well and the government has been working with others. A review has been undertaken and new governance arrangements have been recommended. The report has been delivered to the RSL and they have agreed to implement the recommendations in the months and years ahead.

**Ms WEBB** - Was that review in relation to the entirety of RSLs, their sub-branches and organisations within the state?

**Mr BARNETT** - It is to do with RSL Tasmania because -

**Ms WEBB** - As the peak body -

**Mr BARNETT** - RSL Tasmania is the entity that has the agreement with my department. I might ask if Gina Webster or Kate Kent could speak to that matter.

**Ms KENT** - The RSL review was to look at their governance structure to ensure they are a contemporary organisation to meet the needs of veterans. They were very keen to see, under the normal governance principles that all good organisations should follow, how they can adapt to address those whilst Ensuring they're relevant to their traditional members. It was undertaken by a consultant called Janice McKenna, whom they engaged, who made a number of detailed recommendations. Those have been shared with their sub-branches through their recent state congress on 18 May. They are now working through an implementation plan to address those. One of the recommendations is how they, as an executive, for example, can be more contemporary. They are looking at a model of moving to a skills-based board alongside their traditional executive. That's a model other RSLs around the country are looking at.

**Ms WEBB** - Is that part of the requirements of their peak body funding, that they implement those changes that came out of the review?

**Mr BARNETT** - Thank you for the question. The review was undertaken by the RSL Tasmania. Obviously, we're cognisant of that, aware of it, and were consulted. My department has met with, worked and consulted with and by RSL Tasmania. We're supportive of the review and recommendations and the implementation program, and they have certainly agreed to implement that. In terms of the details in and around the funding agreement, I'll pass to Kate Kent.

**Ms WEBB** - The question was quite simply: is the peak body funding contingent on their implementation of the review outcomes?

**Ms KENT** - In short, yes. So, for all of the peak bodies we work with, there's a number of requirements for them to address and we require that governance is one of those. So, peak bodies may do that sort of review to the extent that the RSL did at different times in the life cycle of their grant deed. In this case this was for this year, yes, the payments that go to peak bodies are usually two a year. And the second part, second payment, for them this year was contingent on them coming up with an implementation plan to address the recommendations from the review.

**Ms WEBB** - Sounds like it'll be a very positive move forward for them, which is great. Can I ask a question about one of the other election commitments from last year, which continues in this financial year. It is the one that's described as, in partnership with Parks and Wildlife Service, enabling access for veterans to Tassie's national parks.

Can you provide some detail on the uptake of this active recreation program, and whether the allocated funds, which I think were \$75 000 per year across three years, were expended, or are expected to be expended, in 2018-19? The additional part to that would be that it was described initially as the intention to have ex-service personnel involved in the development and delivery of that program. I wondered whether that had occurred across this first year of those three years?

**Mr BARNETT** - Excellent question, thank you for that. The establishment of the new Veterans Reference Group was early this year - it is \$225 000 in partnership with Parks and Wildlife to provide active recreation programs for returned service personnel. We wanted feedback, and I wanted feedback from the reference group, the Veterans Reference Group, in terms of aligning the program with some of their thoughts and feedback so that we have something that's really relevant.

The reference group has really good people on it and they're providing excellent feedback, and it's getting a hands-on approach. It hasn't commenced; just to make it very clear. The VRG, or the Veterans Reference Group has been providing advice on the development and implementation of the program. The department has been working with Parks and Wildlife and another agency to progress the program. The program is expected to commence before the end of this year.

**Ms WEBB** - This calendar year or financial year?

**Mr BARNETT** - This calendar year.

**Ms WEBB** - Calendar year.

**Mr BARNETT** - I'll ask Kate to speak further to this. We're trying to design the program so that it's practical, hands-on, and will assist our younger veterans in particular. Mental health and wellbeing are key objectives that we're trying to target and get assistance. I'll just check if Kate Kent could add to that.

**Ms KENT** - I probably can't add too much more from what the minister has said, but yes, we wanted to develop the specifications, if you like, for the project moving forward with the Veterans Reference Group and with Parks. The Veterans Reference Group has a very keen interest in mental health issues for veterans, so their input has been really important to get that process underway. As the minister said, it has meant a slight delay in the funding, so the funding has been rolled forward in the 2019-20 Budget. The project will get underway in the first quarter and second quarter of the new financial year.

**Ms WEBB** - Okay. So, that was going to be my question about whether the funding would be rolled forward. That would mean in 2019-20, \$150 000 would be rolled into it?

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

**Ms WEBB** - Okay. Thank you, that's great. Can I ask a question? It's actually relevant to budget paper 1, and it's on page 104 in table 5.4. It's to do with Commonwealth payments for specific purposes. I'm interested in one that talks about community services - and let me just find it so I can make sure I quote it properly. In budget paper 1 on page 104, the Commonwealth payments for specific purposes, table 5.4.

In the bit that talks about community services including disability, there is \$2.5 million per year from 2019-20, that financial year, and over the forward Estimates or so; it is in a line called 'Other', I believe. The footnote says that it includes funding for Indigenous housing, home and community care for veterans and municipal and essential services transition funds. The bit I am asking about is the home and community care for veterans element of that Commonwealth funding of \$2.4 million or so across the forward Estimates. I am wondering from that amount what the breakdown is for HAC services for veterans? How many veterans are covered by that funding and where do we direct it?

**Mr BARNETT** -. It is a good question. I think it is in the Health or Housing portfolio, it is not in my portfolio, there is a reference to veterans there, so thank you very much. I will just check with my department officers here. I am not totally across that but I am thankful for the opportunity that you have raised with me about that. I would certainly welcome the opportunity to investigate that and happy to come back to you, it is either in Health or Housing portfolio, it is not in my portfolio.

**CHAIR** - It is under Community Services, including disability so it must be in our output groups tomorrow so maybe you could keep that one for tomorrow?

**Mr BARNETT** - Can I just check the page number again?

**CHAIR** - It is 104 budget paper 1, under Community Services, and it is the other line with a footnote.

**Ms WEBSTER** - Could I ask, through you minister, the table number?

**CHAIR** - It is 5.4, budget paper 1.

**Mr BARNETT** - Thank you very much; we will track that down.

**Ms WEBB** - Two more things actually. The role here in this output group is to support and acknowledge the role of Tasmanian veterans and ex-service personnel, which is wonderful, through policy advice and support to the Minister for Veterans Affairs. I note that you spoke about the Veterans Reference Group which has been established and which was talked about last year.

Could you talk a little bit more about the nature of consultation with that group and - apart from the what we already discussed around that access to the national parks program - what other follow up actions or ongoing input that group is having into this phase?

**Mr BARNETT** - It is an interesting mix of people on the Veterans Reference Group. We have had a number of meetings - is it two so far? We have had one; we are just about to have the second. The reference group is still working out its work plan for the year and years ahead. We have talked about matters that are not just relevant to RSLs and ex-service organisations but veterans, and that includes mental health and wellbeing. That is fair to say a consistent and important part. Representatives on the group include Natalie Zanke, Josh Miller, Alison Merridew, Philip de Bomford, Grant Herring, Cheryl Arnold and Dr John Lane. There is a couple from the RSL but we have a couple from mental health organisations, Salvation Army, a psychologist.

**Ms WEBB** - Can I ask how those people were selected? Did they put themselves forward for it, or did you invite people or a mixture of both?

**Mr BARNETT** - Yes. Expressions of interest. We got feedback from the local community, some very good applications and based on a range of criteria, terms and conditions, they were selected based on recommendations through the department. We are very fortunate to have -

**Ms WEBB** - Do you have a regional representation mix from around the state?

**Mr BARNETT** - Yes, absolutely, and gender mix as well, so there is a good mix there and there are some very good people, including some ex-service personnel who are on it.

For example, I will have the opportunity to put matters to the Veterans Reference Group from the one national Veterans' Affairs ministerial meeting I have been to - and we'll probably have another later in the year - and I will be able to seek their feedback on that sort of thing. There will be a range of issues we can bounce off them. I will just check with Kate Kent if you have an agenda for the next meeting.

**Ms KENT** - They are finalising the agenda this week and they wanted to have a presentation from the local regional director of DVA. As the minister said, that is to probably get some input from what is happening at the national level. As I have referred to before, they are strongly interested in the issues around mental health and the active recreation project.

**Mr BARNETT** - Yes, I think the other one we haven't mentioned is we have provided funding support for Dago Point, which is a recreational fishing shack at Lake Sorrell, where hopefully there will be some good fishing opportunities in the not too distant future. It is adjacent to the Vietnam veterans' shack and there is funding support for that.

We sought feedback on the Teddy Sheean grant through the reference group, so they have provided feedback to the department and as part as the application or the selection process for that. We have provided some input and there will be more to come.

**Ms WEBB** - One final thing I wanted to ask about was about performance information. I note there is absence of performance measures presented and that was discussed in Estimates last year so we don't necessarily need to go over that other than I wanted to ask you: you committed last year to considering whether there would be elements to introduce performance information this year; was consideration given to that, and what was the rationale for not including performance information in this year's budget papers again?

**Ms KENT** - Trying to identify a good performance measure is always challenging in policy, so we have in the past found measures that can be quite subjective unless you have things that easy to measure, like numbers of things. As part of the new agency though, Department of Communities Tasmania was very keen to try to find measures that provide a good picture of what the agency does more broadly, including in this policy area and not just in the veterans area. We don't have broader policy measures as well. We have measures for other things number of seniors cards or something like that, but it is not in the veterans area as well so we are exploring this and we would like to look at best practice in this area - it is ongoing.

**Ms WEBB** - Can I take that to mean it's still in consideration and we might come back to it next year and ask again?

**Mr BARNETT** - I think that's a fair response, but I should say we are not into service delivery; we are into policy development and implementation, which we are doing and we have rolled out a range of initiatives that I am very pleased with. If we were the federal government and you were talking to the Department of Veterans' Affairs where I was in the Senate and asked them questions, they are into service delivery and they could tell you how many veterans are actually receiving the services of this, that or the other, whereas we are into policy development and implementation. It's a good question, we should always try - if you can't measure it, you can't manage it, as Peter Drucker the business guru said. KPIs are important. We will take it on board and have further thoughts about it and come back to the committee next year in due course.

**CHAIR** - Following up from Meg's question, it is a matter that most of us are interested in, measuring how any allocation of public money is being monitored and measured.

I accept, minister, you are in the policy space and implementation, but surely you can measure the implementation of the policies? If you have all these policies and none of them have been implemented, that is a damning indictment. I am not saying that is the case. I believe it is not. We can see through the evidence you have provided, it is not the case.

**Mr BARNETT** - We sit accountable to you and indeed, to the public. As you raised the Veterans Affairs Reference Group and the rolling out of the Active Recreation Program, that has been delayed. I am accountable for that; I stand accountable. We have a reason there.

We have the Veterans Reference Group. I want to get their input, and, yes, it will be rolled out, but will be delayed 12 months.

If we have policies and programs rolling out in accordance with the budget, in accordance with the timeline and the cost. Hopefully give a few ticks there, KPIs, but there are other ways of measuring. They are good questions and worth taking on board.

A key question is, we have made our election promises: are we meeting them? The answer is, yes. One is a year delayed, but the rest we are rolling out. Teddy Sheehan grants feedback is very positive and adding value to the various RSL and ex-service organisations that receive them. I could talk about the other initiatives.

I would like to put on the record, because I stand by my comment on the \$750 000, that it is record funding. I know you have heard that before in different portfolios, but this has not happened before. We have not seen this level of commitment to the veterans community in past governments. It is on the record and a fact. I am proud we have and will continue to deliver.

**CHAIR** - Minister, this was discussed at the Wynyard RSL, the dedication of the beautiful plaques on the wall there, by the new member for Braddon, who is a veteran himself.

We discussed that the Preolenna community - once a strong farming community some years ago, turned over to plantation timber - has a memorial that has not been maintained -

**Mr BARNETT** - You mean the cemetery?

**CHAIR** - No, the memorial there. The Waratah-Wynyard Council suggested they do not want to maintain it, and the RSL was looking at removing it into the Wynyard area as part of other memorials they have. It is now back to the council for community consultation.



The question I have is: if the decision is made by council to leave it where it is, out at Preolenna, which is 20 or 30 minutes away from Wynyard, would there be funding available to maintain and look after it?

**Mr BARNETT** - I have good news for you. The Teddy Sheehan Grant, Wynyard RSL. Not only have they put an application in, they have received support for the application from the Hodgman Liberal Government for some \$3000.

I will tell you exactly what it is for. Removal, renovations, and relocation of the Preolenna War Memorial Plaques to the Wynyard Cenotaph Precinct.

**CHAIR** - That is not what the community want. This is my point. The Preolenna community, small as it is now, because plantation forestry taking over what was traditionally a farming community. I did ask RSL representatives in Wynyard how many names were on that plaque -

**Mr BARNETT** - What were you saying?

**CHAIR** - Now, rather accept that, I am not sure what they have done with the grant. It is actually the decision about whether to move it or not, that has now gone back to Waratah-Wynyard Council to undergo more public consultation, because the move is not accepted by the Preolenna community.

**Mr BARNETT** - My understanding, based on advice I have is the Waratah-Wynyard Council made the application.

**CHAIR** - They have had a rethink, because of the community backlash, which happens sometimes. The application was made without the full knowledge of the Preolenna community.

**Mr BARNETT** - I suspect the local council needs to do a bit of work, then.

**CHAIR** - That is what they are doing minister. It is now back with the Waratah-Wynyard Council to more properly consult with the broader community and a decision to be made. The question then is: would the money that has been allocated for removal and placement near the Wynyard Cenotaph still be available to maintain and upgrade if it were to remain in Preolenna?

**Ms WEBB** - Can they switch it across and keep it where it is?

**Mr BARNETT** - That is a very good question. You are being a good advocate as the member for Murchison for your local community.

**CHAIR** - I am not saying that is what will happen. I am saying if it does.

**Mr BARNETT** - I would have to take that on notice and seek advice from the department. No doubt they would want to talk the Waratah-Wynyard Council and get their views and the views of the local community. It has gone through due process, so I think the Waratah-Wynyard Council definitely has some explaining to do. No doubt the department would be looking into that matter. I thank you for raising it. We will have to take it on notice.

**CHAIR** - Thank you.

**Mr GAFFNEY** - You will be on the front page of *The Advocate* tomorrow, minister, confirming that the funds have already gone through. It is up to Waratah-Wynyard Council to work that one through. They have to deal with that. I wouldn't be swapping anything anywhere at the moment. There is a long way to go.

I would like to know how many RSLs there were in 2010, what the number is now and, of those RSLs, how many have taken EGMs out of their establishments? A recent article said two or three RSLs have taken them out recently. One made a case that if they had gaming, they had to have two full-time staff on. There were two or three people there from 4 p.m. to midnight and nobody else. They have taken the EGMs out of their establishment and they now have a much more family-friendly atmosphere. It is helping them to survive.

You probably know my stance on EGMs but the question is: if there are other RSLs around the state in which gaming machines are not fulfilling what they thought might happen, is there a role for the government or the RSL board or body or funding to be able to help them progress from an environment which has EGMs? If they so desire to get out of that, how could your organisation help them transfer out of that commitment and get into a place where more people are coming into the RSL?

**Mr BARNETT** - A two-part question - the numbers of RSLs then the gaming machine issue. I can give you an update on how many RSLs there are in Tasmania.

**Mr GAFFNEY** - In the RSLs. That would be handy.

**Mr BARNETT** - No problem. I am happy to assist. I understand where you are coming from. Obviously different views around the table, around Tasmania on that issue. I respect the views of different people who have different opinions on the matter. There has been a reduction in the number of RSLs. I do not know exactly how many there were in 2010. That would be a question for RSL Tasmania. I am advised there are 51 RSL sub-branches around Tasmania. We have an arrangement with RSL Tasmania, the peak body, and we can't tell exactly what every sub-branch can and can't do. We don't have the authority to do that. We do have terms and conditions around the funding commitment to RSL Tasmania.

With respect to gaming licences, there are 11 gaming licences and five have been granted electronic gaming machines. Five sub-branches have those machines. I can identify them: Devonport RSL Sub-branch, Dover RSL and Ex-Servicemen's Club, Glenorchy RSL Sub-branch, Sheffield RSL and Citizens Club, and St Helens RSL Ex-servicemen and Citizens Club. That is on the record, I am sharing that with the committee. We work closely with the RSL clubs and sub-branches. They work in the best interests of their members. They are a member organisation so they do what they feel is best for their sub-branches. It is fair to say that the issue of electronic gaming machines is a matter for each of those sub-branches to consider carefully with the welfare of their members in mind. I am in agreement on that.

**Mr GAFFNEY** - Five now that have EGMs. It would be interesting to know over the past 10 years how many went into that space and then realised it was not the best thing for them. I think Burnie, Wynyard and King Island were thinking about it -

**Ms WEBB** - My latest understanding was that there were six, so perhaps there is another one which has taken them out.

**Mr GAFFNEY** - King Island perhaps. The article in the paper last Monday about the Burnie RSL was very glowing about how they are now surviving and actually improving. It was an article about how they have now changed it around. I know a lot of RSLs do struggle.

**CHAIR** - It was the same experience at the Wynyard RSL. They were actually losing money and they were very aware of the community harm it was causing in our community. That was a decision they took and they have gone ahead in leaps and bounds since.

**Mr BARNETT** - Wynyard RSL has gone ahead in leaps and bounds and is going a great job. I commend Gavin Pearce, the president of the Wynyard RSL and member for Braddon.

**CHAIR** - And Trevor Duniam made that decision, minister.

**Mr BARNETT** - Of course Trevor Duniam and all the members of the committee. They are doing a terrific job. Do you want me to take that question on notice? I would have to go to RSL Tasmania. I do not mind asking them.

**Mr GAFFNEY** - If you get some information. It is not one I expect you to come back by the next committee, but if you could find out it would be well worth it.

**Mr BARNETT** - I do not mind asking them and I am happy to get their feedback and respond back.

**CHAIR** - I will put it on our list. If you cannot answer it by the time we need to report you can write to the committee. The committee will disband after Estimates.

**Mr BARNETT** - I could write back to whomever is on the committee.

**CHAIR** - Best advice is we do not take it on notice but you provide an answer to individual members when you can.

**Mr BARNETT** - I should say it is a free world. Anyone is entitled to contact RSL Tasmania. I am sure they would happily help, but I am happy to follow up and ask them to respond accordingly.

**Mr GAFFNEY** - If that information is available in your reference group material, you can say there were 10, now there are five, and the five that were rid of them are actually surviving. It is something for them to think about.

**Mr BARNETT** - We will get back to you through you, Chair, or to the committee members.

**CHAIR** - Thank you.

**Mr VALENTINE** - I am interested to know how many clubs in the state are actually looking pretty shaky financially and are concerned or have expressed concern. I do not expect you to name the clubs.

**Mr BARNETT** - How many are there?

**Mr VALENTINE** - How many of those across the state?

**Mr BARNETT** - I would not like to -

**Mr VALENTINE** - I am not asking for names. Quite clearly.

**Mr BARNETT** - Some are more sustainable and profitable than others. It would be inappropriate of me to -

**Mr VALENTINE** - You do not have any hard figures on them. You do not get approached for assistance in any way shape or form to keep them afloat?

**Mr BARNETT** - Of course, I do from time to time.

**Mr VALENTINE** - Is it a major number or is it a minor number?

**Mr BARNETT** - They are always looking at ways to be more sustainable, so they come and talk to their Veterans' Affairs minister and ask can you do this can you do that. We have the Teddy Sheean grants, which are very valuable and helpful. They appreciate that. Then they try to think of other things. There is the Tasmanian Community Fund and there are other grant programs which I can alert them to. There is also the Saluting Their Service grants through the Department of Veterans' Affairs, which is a federal fund. There are other suggestions I may have for them on how they can become more sustainable and profitable.

**Mr VALENTINE** - In percentage terms of the whole you cannot put a handle on that?

**Mr BARNETT** - No, I am not.

**CHAIR** - I think it is probably inappropriate. The minister is not responsible for other persons.

**Mr VALENTINE** - No, he is not. I just wondered whether -

**Ms WEBB** - I presume it is part of the peak body funding that you are providing to RSL Tasmania with an effort to boost the sustainability. RSL Tasmania might have access to that information.

**Mr BARNETT** - Yes, and that is part of the objectives with our funding support for RSL Tasmania, to assist their sub-branches to become more sustainable and profitable and relevant to their local communities.

**Mr VALENTINE** - It sounds like the experience the Treasurer had with one of them was very good. It means that the community is coming in to back them up.

**CHAIR** - Thank you, minister. It's been a very long day.

**Mr BARNETT** - No problem, I actually quite enjoyed it, it has been good. Thank you for the opportunity to present and thank you to the officers at the table now and those who have supported me during the day. I have felt very well supported and I appreciate the opportunity so thank you, Madam Chair.

**The Committee adjourned at 6.58 p.m.**