

UNCORRECTED PROOF ISSUE

Thursday 6 June 2019 - Estimates Committee B (Courtney)

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Thursday 6 June 2019

MEMBERS

Mr Armstrong
Ms Armitage
Mr Dean
Ms Howlett
Ms Rattray (Chair)
Ms Siejka
Mr Willie

IN ATTENDANCE

Hon. Sarah Courtney MP, Minister for Primary Industries

Ministerial Office

Mr Richard Wilson, Chief of Staff
Mr Ben Waining, Senior Adviser
Mrs Natalie Cameron, Senior Adviser

Building and Construction

Kathrine Morgan-Wicks, Secretary, Department of Justice
Nick Evans, Deputy Secretary, Department of Justice
Mark Cocker, Chief Executive Officer, WorkSafe Tasmania, Department of Justice
Andrew Goldsworthy, Acting Executive Director, Department of Justice

Ross Thomas, Deputy Registrar, Workers Rehabilitation and Compensation Tribunal,
Department of Justice

Gavin Wailes, Director, Finance

Natalie Boxall, Executive Liaison Officer, Office of General Manager, Consumer Building and
Occupational Services

Trent Linton, Ministerial Liaison Officer, Office of the Secretary, Department of Justice

Mineral Resources Tasmania

Kim Evans, Secretary

Bob Rutherford, Deputy Secretary, Industry and Business Development

Kevin Robinson, Director, Mineral Resources Tasmania

Brett Stewart, General Manager, Strategy, Policy and Coordination

Amanda Russell, Deputy Secretary, Business Services

Resources Policy

Kim Evans, Secretary

Bob Rutherford, Deputy Secretary, Industry and Business Development

Brett Stewart, General Manager, Strategy, Policy and Coordination

Alastair Morton, Acting Director, Forest Policy

Penny Wells, Chief Executive Officer, Private Forests Tasmania

Peter Volker, Forest Practices Authority

Amanda Russell, Deputy Secretary, Business Services

Business Services

Amanda Russell, Deputy Secretary, Business Services

Glen Dean, Director, Finance

The committee met at 9 a.m.

DIVISION 6

(Minister for Building and Construction)

Output group 1

Administration of Justice

1.10 Worker rehabilitation and compensation tribunal

CHAIR (Ms Rattray) - Good morning, minister. Before we commence, I acknowledge that day 4 is starting to take its toll on you and we hope you get a bit of a break after you finish this today. We look forward to taking the morning up until lunchtime to get through the various areas you have leadership on.

Please introduce your team at the table and as you get any exchanges through the course of the morning, then perhaps then you will introduce those as well for Hansard. We also invite you to provide an overview of your areas at the beginning.

Ms COURTNEY - Good morning, Chair. Thank you for having us here. Looking forward to this morning. To my left I have the Secretary, Kim Evans; to my right, Deputy Secretary, Rob Rutherford; and further to my left, Kevin Robinson, who is the relatively new Director of Mineral Resources Tasmania, but is fitting in particularly well. I welcome him to an Estimates committee hearing for his first time.

With the committee's indulgence I will give a brief overview as I know there will be many questions, rather than spending a lot of time on this.

Tasmania's resources sectors are pillars of our economy and are fundamentally important for our regional economies, including Launceston. Without the approximately 9000 direct jobs the sector provides, many of the regional towns would struggle to service - that is, 9000 families who directly rely on forestry or mining for their living and their wellbeing. These jobs and these sectors support people in terms of putting money in their pockets and food on their tables. In fact, forestry and mining and mineral processing are worth more than \$4 billion a year to the Tasmanian economy.

Before I go further, Chair, I take this opportunity to thank those and recognise the bushfires we had earlier in the year. We know the forestry sector was significantly impacted by the bushfires. For a sector that's based on trees and wood, bushfire can spell disaster and we saw significant damage to our forests, both native and plantation. We also saw major forestry businesses, major employers and exporters hit directly, with facilities burned and operations halted. We know this sector is resilient. It has to be, it always has been and it always will be. Operations are getting back to normal and recovery efforts are making a real difference. I am very proud to take this opportunity to thank and acknowledge the exceptional firefighting response from all members of the forestry community, government and private, large and small. The level of cooperation and skill was inspiring and highlighted to me the strength and resilience of the Tasmanian spirit and of this industry.

I have a lot more information on the background of the industries, but as I look across the table I know there is a lot of experience already, so perhaps we should go straight to questions and then if there's further background the committee would like to hear, I can go into that.

CHAIR - Before I go to the first question, I'd like to acknowledge we have the President of the Legislative Council, Craig Farrell, in the committee room with us today and we welcome him. Thank you, Mr President, for coming along. I know you will be interested in how the committee works, given you were a previous member of this committee. Probably missing us terribly - not. I will ask Ms Howlett if she would ask the first question.

Ms HOWLETT - Thank you, Chair. Minister, there is a growing recognition in the field of occupational health and safety that episodes of mental stress have been under-reported.

Ms COURTNEY - I think this may be for the Building and Construction portfolio. If we are talking about mental stress, that might be after 11.30 a.m., I think it is.

CHAIR - We'll start in your area as Minister for Resources.

DIVISION 11

(Department of State Growth)

Output group 4

Resources Policy and Regulatory Services

4.1 Forestry policy and reform -

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CHAIR - Mr Armstrong, would you like to lead the way in 4.1 Forestry policy and reform? We want to hear a lot about that.

Mr ARMSTRONG - Thank you, Chair. I will have to grab my notes.

Ms COURTNEY - For the sake of Hansard, considering the output group we are now on, Alastair Morton is joining us; he is the Acting Director of Forestry Policy.

CHAIR - Welcome, Alastair.

Mr ARMSTRONG - Minister, on 16 February 2019 there was a press release about pilot regional forestry established in the north and on the north-west coast of Tasmania. The forest industry is growing by 5700 direct and indirect jobs with further opportunity for growth. It's projected to triple timber products over the next 30 years. What impact did the bushfires have on the industry and the future projection of that growth?

Ms COURTNEY - Yes, I can provide an update on the impact of the bushfires. You started your question with the hub announced earlier in the year. That was a really good initiative and it was great to be joined by Richard Colbeck and the Prime Minister for that one. Indeed, it is very welcoming for Tasmania that federally we also now have another Tasmanian in that role in Jonathon Duniam. That is a very good thing for Tasmanian industry.

I will talk about the impact of the bushfires, which was one part of your question, and then I will give you a bit more detail about the forestry hubs. Although that is a federal initiative with federal funding, I have some more information on that.

The damage from the bushfires has been significant. As I said in my opening, the Government is very appreciative of the efforts of so many people and the collaboration and coordinated effort in both fighting of the fires and the recovery. I am advised most recent figures indicate that just over 200 000 hectares has been impacted by bushfires this season. Of this, about 40 000 hectares is on Permanent Timber Production Zone land. Most of the fires were as a result of 2500 dry lightning strikes on 15 January 2019.

I have been advised that assessing the impact of the bushfires on forest assets has commenced but has not yet been completed. A preliminary understanding of the impacts on the PTPZ lands is being based upon satellite imagery. On-ground work is continuing to validate and assess this impact over the coming months.

On-ground work is continuing to validate this and work out our management actions. Over 600 hectares of forest less than 10 years old impacted by the fires have been sown with eucalyptus seed to assist the regeneration of the forest. Salvage operations in impacted plantations will commence in the near future. I have witnessed at first hand the significant damage on the site at Southwood to both the Neville Smith and Ta Ann facilities, and I also understand there was significant damage at the Tahune AirWalk. I am, however, pleased to advise that at the Southwood site Neville Smith is back in full production, which is wonderful to see and it's great to have their workforce retained throughout that entire period.

I know the member will be particularly interested, because it is your area, that we are in constant engagement with Ta Ann. They are working through some internal processes at the

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moment. I am very hopeful that we might be able to have that mill re-established but they do have to work through some internal processes.

While timber harvesting operations were suspended in the fire-impacted areas, they have now recommenced in non-fire affected areas. STT has rescheduled harvesting into the non-impacted areas. That is more of the southern areas.

I will give you some more detail about the private forests, if that is of use to you. The total public forest estate is currently estimated to be within fire foot print is around 40 000 hectares which is approximately 5 per cent of the total production forest land. The most significant fires on Permanent Timber Production Zone land were the Riveaux Road with 27 000 hectares. This area contains a range of forest including hardwood plantation regrowth and mature native forest with regenerating forests from harvesting activities. The Central Plateau had 8500 hectares, Brittons Link had 1500 hectares, Western Hills 1500 hectares and Joel River was less than 500 hectares.

I have further information, if you would like me to continue. However, if you like, I will also give you some information about the hubs we discussed at the beginning. They have been identifying regions that have productive forest processing facilities and access to transport and markets. The purpose of the hubs is to identify plantation opportunities, add value to existing infrastructure and processing capability, and maximise community participation.

I joined, as I mentioned, the Prime Minister, Scott Morrison, and Senator Richard Colbeck to launch the hubs, one of them in the north and the other in the north-west. It is wonderful to see that being rolled out through the forest network. Therese Taylor is its convener. They will be facilitating the hubs. My understanding from a meeting earlier in the week is that a steering group is now in place. We have had a meaningful dialogue with a lot of participants within the sector, so we are really looking forward to seeing positive things flow from that.

Mr ARMSTRONG - Forest policy and reform: I note the output is in excess of \$1.5 million in 2019-20 and provides for high level support of the first forestry resource policy and management. Exactly what agencies does this now cover? Does it include investigation in the port facilities in the south of the state that facilitate the export of our wood?

Ms COURTNEY - Mr Armstrong, which page are you referring to with that figure? We want to make sure we are talking to the right number.

Mr ARMSTRONG - It's 4.1, page 293.

Ms ARMITAGE - Page 293, under the Department of State Growth

Ms COURTNEY - I will ask the Secretary at the table to discuss the figures. In terms of southern residues, I can provide some comments around that if that helpful.

Mr EVANS - This output relates to the Forest Policy Group within the organisation headed by Mr Moreton, who is beside me. It is a relatively small group. I think there are about eight or nine FTEs in the group. Its principal role is to provide advice to the minister, through me, on all matters related to forest policy. That covers quite a diverse area. It has responsibilities for dealing with Commonwealth matters - for example, the renegotiation of the Regional Forest Agreement was headed through this group - and interacting with the forestry businesses, including state-owned companies like STT and the regulatory authorities like the Forest Practices Authority.

Ms COURTNEY - In your question you referred to the port and southern residue. As you probably saw, my predecessor commissioned what is now known as the Rolley report to provide a series of investigations into options for southern residues.

Mr Rolley delivered that report to government. I released it publicly earlier in the year when I came out with the suite of measures that we were looking at. The Rolley report; without it in front of me, investigated a range of port options and came to the conclusion that there wasn't a viable port option in the south of the state. Therefore, he looked at a range of other things that we could perhaps do.

One of the first measures we came out with earlier in the year was the Government maintaining its access to the port of Hobart in the long term. That means that people who want to invest in their processing or invest can have confidence that they will be able to export wood across the port. So that was very pleasing. We also committed money to TasRail. From the state Government perspective, it was \$575 000 for a weighbridge at Parattah. This will provide a mechanism for southern facilities to be able to transport to the north of the state more efficiently. This is part of a suite of measures that TasRail is investing in, including work at Brighton, and also investment into rolling stock. With the increased capacity for the rolling stock at Brighton, the upgrades at Parattah, which include a loading platform and the money for a weighbridge, we're expecting to see significant growth in the amount of wood products on rail. We know that we can transport relatively efficiently via rail.

There were a range of other things Mr Rolley had suggested in the report. We're still working through a lot of those other options in light of the fact that when Mr Rolley did his work it was pre-bushfires. So, considering the bushfires and the fact that we are still working with both the private sector and STT to fully understand what that means for future profiling, it wouldn't be very prudent to make decisions quite yet. But the Government is continuing to engage with industry, particularly the participants in the southern areas, to make sure that investment that the Government makes is going to have benefit for the industry.

Mr ARMSTRONG - Why was Parattah chosen when most of our timber is coming from the Derwent Valley and the Huon area above Brighton as a loading facility for the product? Is it because of the grade of the rail?

Ms COURTNEY - Well, you can still load in Brighton, so it's not to the exclusion of Brighton. They're investing in infrastructure at the Brighton facility itself. TasRail is not my portfolio area; it's more Jeremy. But perhaps the secretary might be able to provide a bit more detail.

Mr EVANS - Yes. It's not the only solution, but it is a good solution for dealing with forests in the east of the state. It makes good sense to move forest products from areas in the south east, Orford, the east coast. So, it solves one piece of the jigsaw. We still need to work on other solutions in the southern forests. We are actively engaged, as the minister has indicated, in finding alternative solutions, including keeping the Hobart port open and dealing with other rail upgrades.

Mr ARMSTRONG - It has previously spoken of about having a railhead at Karanja for the southern forest and Derwent Valley; is any further work being done on that?

Mr MORTON - Part of Mr Rolley's work was looking at various railhead options linking up with road options to transport material from the southern forest. He concluded the Karanja option

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was not a preferred option. His preferred option recommendation was an extension to Lawitta with a linking road. Karanja was ruled out because of the expense of extending the rail line which currently goes to Boyer and Karanja.

Mr ARMSTRONG - Has any more work been done on the Lawitta option?

Mr MORTON - That was one of the recommendations in Mr Rolley's report considered by government.

Ms COURTNEY - None of the options proposed by Mr Rolley are off the table. It is a matter of working through each and for all of them there are other factors to be considered in terms of their economic viability and looking at other industries. There is still more work to do.

Mr ARMSTRONG - Has any more work done on or the barge option to take forest products out of the Huon Valley? Is that now off the table? It was a private operation and might not come under your jurisdiction.

Ms COURTNEY - I do not have a lot of knowledge about this.

Mr MORTON - I was aware of the proposal a couple of years ago for bulk export coming out of a new port and loading at Dover.

Mr ARMSTRONG - The Dover option was off the books, but I was wondering whether any other options were put forward.

Mr MORTON - I believe the proponent had negotiations with government and was talking with council, but I seem to remember it is not happening for whatever reason.

Mr ARMSTRONG - Issues with biosecurity and the salmon industry as it went over the lease of Tassal. Are there any other options?

Ms COURTNEY - One of the key purposes of the report by Mr Rolley, there were not limitations to look at all the options and with the evidence available to see if there is a scenario where we could do a port option or something similar and his conclusion was none were viable.

Mr ARMSTRONG - No greenfield or new?

Ms COURTNEY - Yes.

CHAIR - Supplementary to looking at options for transporting forest resources, you have not mentioned anything about the north-east which has predominantly the highest level of forest resource. Has there been any further work been undertaken in regard to using rail from the north-east?

Ms COURTNEY - I stand to be corrected by those on my left and right. It is not something directly raised with me in terms of transport. With many people transporting to Bell Bay, it is not an issue. We have seen the significant investment through the federal election for The Sideling and a number of other things that will help the movement of freight in the north-east. This is a real positive for the industry with regards to how the northeast worked. The other day I was at Branxholm looking at the saw mill and forestry coup - there seems to be a great deal of synergies

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in locations. The transport component in that region is actually not a limiting factor as it has been quite debilitating for the south in the past where their option was taken away.

CHAIR - Is that completely off the cards now or do you think it is something explored into the future?

Ms COURTNEY - The north-east or?

CHAIR - Yes, the rail.

Ms COURTNEY - It feels like we are going into another committee.

CHAIR - It is about getting resource out of areas.

Ms COURTNEY - Absolutely, but to be honest, Chair, there may have been through my predecessors, but I'm not aware of any specific proposal where there has been advocacy for rail to get wood products to the port of Bell Bay.

Mr RUTHERFORD - Minister, if I may comment. We did work on this a long time ago, and the problem we ran into each time was the cost of the double-handling because you have to put it on a truck in the first place and the whole distance isn't big enough to work with the economics of it being on a truck, then being lifted onto the rail, then lifted off at the other end. The road haulage appears to be the most efficient solution for the north-east.

Mr DEAN - That's what you said about the south to north - exactly the same thing. You said that a few years ago, that you couldn't have the double-handling; it wouldn't happen, and there'd be no logs transported from the south to the north on rail. You've now gone back on all of that and it's now being transported.

Mr RUTHERFORD - We found that the distances - it's in another portfolio, but the distances differ significantly over that, and the cost of transport is a major part of getting the product to market.

CHAIR - We always want to put the hard questions, minister.

Ms COURTNEY - I think it's very right that each of you is a strong advocate for your region; it's why you're here.

CHAIR - We're also mindful of road safety and the condition of some of the roads that those heavy vehicles travel on. I'm not sure that \$40 million for the upgrade of The Sidling is actually going to make it a whizz-bang B-double route either. Anyway, we shall see. Thank you. I think the member for Launceston had a supplementary question in this area.

Ms ARMITAGE - It was on 4.1, Forestry Policy and Reform. It was the comment on the amount. I noticed the footnote, but I don't quite understand the footnote. Can you explain it? It says -

The decrease in Forestry Policy and Reform primarily reflects the cashflow of the commitment for strategic growth plan for Tasmania's forest industry.

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I note that it changes; it goes down \$400 000 or thereabouts. What is the change, 'the cashflow of the commitment for strategic growth plans'? Can you explain where the change is and where it's actually going? Is it that you're looking at different committees, different groups, getting different advice, or what is the change?

Mr EVANS - In 2017-18 the Government committed \$2 million over four years, \$500 000 per year, for the strategic growth plan for Tasmania's forest industry. The decrease you're referring to is the ending of those funds. They started in 2017-18 and in 2020-21 those funds cease.

Ms ARMITAGE - So that's stopped, that will no longer -

Mr EVANS - Yes, the \$500 000 comes off in 2021-22.

Ms ARMITAGE - So it's not felt there's a requirement; it's finished?

Mr EVANS - It was funding provided specifically for a range of purposes to implement the strategic growth plan over four years.

Ms ARMITAGE - Do you believe it has been successful?

Mr EVANS - The strategic growth plan?

Ms ARMITAGE - Yes.

Ms COURTNEY - Well, I'd say in terms of -

Ms ARMITAGE - Outcomes, that's all.

Ms COURTNEY - Alastair could probably talk to the specifics of the strategic growth plan. We're seeing so much strength in the forestry industry in the volumes, the value and the investments. As an industry it's sometimes hard to attribute x amount of growth to one policy point. The suite of things that we've had through my two predecessors has given businesses and industry the confidence to be able to.

Ms ARMITAGE - It's good to see an outcome from the money that's put aside. It's good to hear some outcomes for the industry.

Mr EVANS - If I can add to that, in the funding, which was supplemented with an additional \$2 million from the Tasmanian Forests Intergovernmental Agreement, we have a total of \$4 million - \$2 million provided through the Budget, supplemented by an additional \$2 million. An amount of \$2.4 million has been allocated over four years to improve forest-related socio-economic data and its consideration in decision-making and \$1.6 million over four years to implement community awareness and marketing and education strategies. I have details about the specific elements of this if you are interested.

Ms ARMITAGE - You could table that; it is all very well to have the money but it is good to see the outcomes and where it went.

Mr EVANS - Yes

CHAIR - Is it possible to have tabled or you could do us up a document?

Ms COURTNEY - If we take it on notice, and we will provide a proper summary as we are going through in now.

Ms ARMITAGE - It will be good to have something there.

Mr MORTON - The \$4 million was committed in the 2017-18 Budget and about halfway through some of the projects or programs under those two streams, the socio-economic data and the community awareness are ongoing.

Ms ARMITAGE - But to see what they are to understand what is happening in the industry?

Ms COURTNEY - Absolutely, we will provide that on notice.

CHAIR - And some time frame around those two initiatives and when they are likely to see a report?

Mr MORETON - Yes

Ms HOWLETT - Minister, with plantations playing a key role in the forest industry growth what measures are being taken to ensure tree growers work in harmony with neighbouring property owners and also to protecting our vital tourism industry?

Ms COURTNEY - The future harvesting tourism protocol is underpinned by the Tourism and Forestry Protocol Agreement which recognises both tourism and forestry are crucial for the Tasmanian economy employment and investment. A great one is in Madam Chair's area at Derby and both industries can and do benefit from the resources and opportunities created by Tasmania's forests.

This agreement acknowledges both industries are equally important for the sustainable growth of the Tasmania economy; agrees to joint promotion of our world-class wilderness and forest conservation systems, and recognises our world-class production forestry operations are managed for multiple uses on a sustainable and renewable basis.

The agreement provides a framework for the tourism and forestry industries to continue to work together, to develop and implement mutually beneficial outcomes that support both ongoing wood production and tourism growth.

Our forest practices system requires forestry operators to consider the impact of plant operations on view fields particularly on major tourist roads near attractions and near population centres and put in place measures to minimise visual impact.

The strong partnership between tourism and forestry is also encapsulated by the Tasmanian Forest Managers Good Neighbour Protocol launched in May 2019 at Agfest. This is a further initiative for the Tasmanian forest industry to ensure neighbours of forest growers are treated with dignity and respect, and provided with genuine opportunities for input to forest and land management issues.

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The objective of this new protocol includes promoting constructive cooperation and exchange of information, establishing positive relationships with neighbours and local communities, and proactively managing issues of shared concern such as fire, weeds and fences.

The major native forest and plantation grower on both private and public has signed up to the protocol, we have STT, FORICO, SFM Forest Products, Pentark, Timberland Pacific, PF Olsen, Norkse Skog and Reliance Forest Fibre - Responsible Wood - the Tasmanian Forest and Forest Products Network, Private Forests Tasmania, the TFGA and the Local Government Association of Tasmania have all endorsed the protocol. The protocol is a contemporary approach to managing neighbourly relations, demonstrating the forest industry's proactive approach and desire to maintain positive and constructive relationships with its neighbours.

If any members are at Agfest next year, I would encourage you to go and find the forestry tent. It was wonderful. This was organised and coordinated by the network. It was the first time in many years that we've had a consolidated Forestry presence at Agfest, so it's a really positive thing for the industry. It's a great thing for members to support, because if you went there, you'd definitely find a business from your neck of the woods.

CHAIR - I didn't know it was happening. They didn't let the members know, but anyway, it's fine.

Ms ARMITAGE - We were away. We were on committee at Agfest.

CHAIR - We'll meet you at Agfest.

Mr DEAN - I take it that with the fire devastation - you've now moved back into those areas that weren't touched by fire for wood supply - that there will be no problems for STT in providing its contractual obligation requirements?

Ms COURTNEY - I don't have STT here at the moment but my understanding is that STT will be able to meet its contracted obligations. That is something we have had conversations with them about. If we go into a lot of detail on STT, I'll have to take it on notice or do it separately. I don't have STT here at the moment. While groundwork is continuing, my understanding is that they are able to meet their contracts.

Mr DEAN - Thank you for that. My next question might fall into that area as well. What will the involvement of Patriarch and Sons, George Town be with STT?

Ms COURTNEY - I can provide an update on Patriarch and Sons.

Thank you, Mr Dean, for that question. I think the Patriarch proposal is very exciting. It really embodies what the Government is seeking to achieve with industry, to see more downstream processing. When we get downstream processing, we see value realised for the timber products in Tasmania, and obviously that means jobs. I had the opportunity to visit the Patriarch site earlier in the year and meet the proponents. It's a great location and should be a great facility.

The proposed Patriarch facility will see investment of around \$54 million to be implemented over three stages, with up to 109 jobs created in full production. In the construction period, it will see around -

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Mr DEAN - On the 109 jobs, I take it that will be direct jobs within the mill? On top of that, we would have the forestry workers, transport truck drivers and so on?

Ms COURTNEY - That's my understanding. They are the people who would be employed directly on this project. It would obviously strongly benefit the industry, Initially, from the information provided to me, it will create around 80 jobs. That will grow to around 109 when fully operational. It's important to note that we're not expecting this proposal will increase the area or intensity of harvesting on Tasmania's PTPZ land. My understanding is that the company is in conversation and negotiation with a number of sources of timber, but I can't speak directly as to how those conversations and negotiations are going.

Mr DEAN - Are you saying that they won't be sourcing from STT?

Ms COURTNEY - I'm not saying they won't be. That's a matter between STT and Patriarch. I am not aware of a contract being in place between them, but that is a matter for STT. I understand that they are seeking their wood supply.

Mr DEAN - I would have thought as the minister you would be across what Patriarch's position would be with STT because the approval processes have all gone through. As I understand, now we are simply waiting for the first piece of soil to be turned.

Ms COURTNEY - I agree. My understanding is they are in conversations with STT. Contracts are negotiated directly between STT and private companies. The Government and the minister do not play a role in those negotiations. If I had STT people at the table, they could perhaps provide an update, but I cannot pre-empt how those conversations go. I don't know whether that would end up in a wood supply contract or not. That is a matter between STT and the proponent, as it is with all their other contracts.

Mr DEAN - I was going to ask some other questions around the workforce within Forestry Tasmania.

CHAIR - It's not in forestry policy and reforms.

Ms COURTNEY - Mr Dean, if there are other questions for STT, perhaps at a later time we can meet outside the Estimates process and I can provide some more information for you if that is of assistance. Unfortunately, I don't have the advice or STT people here to provide answers on STT, and I don't want to mislead you.

Mr DEAN - That is okay, we will go down that path.

Mr ARMSTRONG - I don't know whether you can tell me this either, minister, but what percentage of forest is private forest and what percentage is state forest being harvested at the moment or that can be harvested? Do you have the breakdown of that?

Ms COURTNEY - I have statistics on land tenure and also wood production, so I hope that will provide the detail you need: 3.35 million hectares of Tasmania is forested, so that's 49.2 per cent of our land mass, which includes native and plantation forests. Currently, approximately 1.78 million hectares of forested land across Tasmania is within reserves. There is currently 812 000 hectares of PTPZ land, and of this, around 47 per cent contains native forest available for wood production. Around 15 per cent is land specifically managed for reservation, and the

remainder is a combination of land that is unavailable for harvesting due to operational constraints and plantations.

The native forest estate on private land comprises approximately 744 000 hectares of unreserved native forest. In total, there are approximately 300 000 hectares of plantations on public and private land in Tasmania, with approximately 75 per cent of that being hardwood and 25 per cent being softwood plantations. In terms of the actual wood production, in 2017-18 Tasmanian forests produced a total of 5.77 million cubic metres of wood fibre. This was an 8 per cent increase from 2016-17 and a 70 per cent increase from 2013-14. The recent increase in harvesting activity on private land has continued with a total harvest of 4.25 million cubic metres, being a 6.5 per cent increase from last year. TasPorts' 2017-18 annual report states its forestry business grew again this year to more than 3.9 million tonnes in woodchips and logs. We are seeing an increase in wood production.

CHAIR - We still have Toll making all the money out of our resource going overseas.

Ms COURTNEY - That is why we are investing in downstream processing and hope to see more of that.

In 2017-18 the total private forest harvest rose for the sixth consecutive year, eclipsing last year's record high, increasing a further 9 per cent on last year to develop the \$4.2 million tonnes of logs to the market I mentioned earlier. This is the first time the private forest estate has developed over 4 million tonnes of logs to market. It is nearly four times larger than the low of 2011-12. Private forest estate contribution to Tasmanian forestry production has increased to 74 per cent in 2017-18, up from 58 per cent in 2013-14. The percentage share of private forest has increased substantially.

Mr ARMSTRONG - When the forestry bill came to us in 2014, there were areas for Future Potential Production Forest land. Is there any likelihood that some of it will be released in the next few years?

Ms COURTNEY - As you mentioned, Mr Armstrong, the Forestry (Rebuilding the Forest Industry) Act 2014 reserves this land and sets out a process for exchange or after the 8 April 2020 conversion of this FPPF land with Permanent Timber Production Zone land. It is important to recognise that if that process is embarked on, it has to be approved by both Houses of parliament. To date, we have seen no exchange of land between FPPF and PTPZ. The Government has made no decision on what it may or may not do in the future and it also depends on other private sector. That is not a decision the Government has made.

Mr DEAN - You are partly covering it, but where is the growth in the forest industry? Where is it seen moving into the future? Do we simply rely on what we have now, the sales to Japan and the other countries? There have to be other growth areas for our forest product. Is that being considered and where are we going?

Ms COURTNEY - I could answer that in a range of ways.

First, we are seeing the growth of the wood itself, the standing timber, through private forests. We have seen that, as I said, closing at 74 per cent now of production. Private forests are becoming the lion's share of the timber being harvested and wood products. I see the growth being in making

sure we are realising the value from our timber products and that is around downstream processing. It is also involved in making sure that we are doing -.

Mr DEAN - Meaning how far downstream processing?

Ms COURTNEY - We look at things like what the Hermal Group's proposal is for the cross-laminated timber. There are a lot of companies investigating a number of other ways to use residues such as for bio-fills and pellets. We have seen what James Neville Smith has been doing in the Mowbray area. A range of people are investigating. The Government, with the Commonwealth invested in a grant round. The Commonwealth and the state governments invested \$2 million each in the National Institute for Forest Products Innovation Grants.

We had two rounds for these grants. They have only been recently announced. They were grants that were co-founded by industry looking at ways to innovate. If you like, I can provide the committee with some of the funding proposals that were successful.

First of all, it was nice to see that a lot of the applications were joint applications. You see industry working together or industry working with research bodies. There was a range of things to see how we can get more value. For example, in round one funding was supplied for a project that looks at solutions for optimal use of remotely required high-resolution data by the forestry sector.

Looking at how we can create value in the forests - research was done in collaboration with the University of the Sunshine Coast and Private Forests Tasmania on optimising machinery configurations for profitable harvesting in small-scale plantations. Work has been done on sensing technology and digital tools to support decision-making in hardwood drying timber. The state and federal governments committed about \$1.9 million, industry co-founded, to round one. The total amount spent in those projects was \$5.5 million. The money we have invested has leveraged up substantially. These types of projects and collaboration will drive more and more value being realised in Tasmania, making sure we are harvesting efficiently and growing wood sufficiently as possible and making sure we are processing sawmill or otherwise. The Wood Encouragement Policy ensures we are using Tasmanian timber in building and construction and getting the value for it - look at this room with our high-quality timbers - and ensuring residues are used in an efficient and innovative way.

Mr DEAN - Has Forico continued developing the plan to produce blackwood pellets? We had briefings on this about two years ago.

Ms COURTNEY - The proposal is pre-me as minister and I'll ask Mr Morton to answer.

Mr MORTON - They received some money for the black pellet work through the 2016 innovation program funding.

Mr DEAN - That is right.

Mr MORTON - They are still at the feasibility stage.

Mr DEAN - Sorry?

Mr MORTON - Yes, they're still investigating options and feasibility.

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Mr DEAN - This is about two to three years ago, and I thought they said they were programming to commence operations.

CHAIR - It took 30 years to build the Meander Dam.

Mr DEAN - That is right. They received funding and are still in the feasibility position. How closely is that being monitored by the state?

Mr MORTON - There were 13 successful applicants for innovation program, one of which you mentioned. A number of them have achieved practical completion. Some are still ongoing; four of five of those 13 are still ongoing.

Mr DEAN - Have you got the names of those ongoing?

Mr MORTON - Yes. Do you want me to read them out now?

Mr DEAN - Yes. Well, there are only four or five. We need to ensure state moneys are being -

CHAIR - Forico is ongoing.

Mr MORTON - Forico. Dorset Renewables was at The Sideling at Scottsdale looking at converting wood processing waste into solid biofuel; Huon Valley Timber was looking at a drying kiln; Dovetail Timbers is looking at some innovative sawmilling equipment; are all still in progress.

Mr DEAN - Whereabouts is that?

Mr MORTON - I cannot tell you, I'm unsure.

CHAIR - Is their progress being followed up?

Mr MORTON - Yes, our branches manage this.

CHAIR - Okay.

Mr MORTON - Because they were done through deeds, we keep monitoring payments and progress on those payments.

Mr DEAN - Is the money refunded if there is no progress?

Ms COURTNEY - I can get Mr Morton to speak more about this as some of them will be a project for a business case.

Mr DEAN - Sure.

Ms COURTNEY - They might do a business case and realise their proposal is not the right thing to do. I am not talking specifically about the black pellet one. Everything funded might not end up with a physical plant or something, because some of them will be research into viability of options. In any grant deed, a number of thresholds have to be met to make sure the expenditure is being used appropriately and the project is as stated.

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CHAIR - But there would be a business plan that would say 'Unfortunately, this has not been seen as a positive venture'? We would see that as part of the deed agreement? Yes.

Ms COURTNEY - I would expect that there will be a final one. There is a completion report for -

Mr DEAN - In accessing or making application for this funding for this purpose, attached to that would be a very strong business case, I would have thought, or a very strong plan or strategy that would support the need for state assistance in funding to move down that path.

Ms COURTNEY - A lot of support in these types of areas, as with the grant rounds I talked about earlier, some of the money is investing in the R&D side of things. It's making sure we have the knowledge to be able to, because we really are world leaders in what we do here in Tasmania, so we are pushing the boundaries on how we can use wood and what we know about it. When we are looking at some of these projects, it will be a preliminary feasibility study, but without the partnership of government those studies won't go ahead. While not all of them will end up with a facility being built, we are encouraging industry to invest, research and explore ways. If we are going to have our forestry industry competitive and strong for the future and resilient with global pressures, we need to make sure that we are always on the leading edge of innovation.

Mr DEAN - Can we have the actual amounts of funding provided to these companies that have been referred to?

Mr MORTON - We can and that is publicly available on our website.

Ms COURTNEY - We can provide that on notice, if you like.

Mr EVANS - If I can just add to the minister's comments, by its very nature this is an innovation program. Innovation requires R&D and not all of that R&D will result in businesses, but unless you invest in innovation and R&D, which is what we are doing through this program, you are not going to get that R&D undertaken and the potential you will realise at the other end for at least some of it.

Mr DEAN - My questions are more along the lines of: Is it being monitored? Is it being followed up? Is real effort being made to look at a business case to see whether it will work?

CHAIR - Minister, because the grants and subsidies allocation is all related to forestry, before we head into mining we will keep our focus on forestry.

Ms HOWLETT - Minister, could you please update the committee on the Wood Encouragement Policy and how it helps contribute to the growth in the forestry industry?

Ms COURTNEY - The Government supports the forestry industry in Tasmania and we have outlined many of those areas and initiatives. We are committed to making sure that the industry grows, including the private sector. The Tasmanian Wood Encouragement Policy was developed by the Department of State Growth and is supported by a sub-group of the Ministerial Advisory Council on Forestry. I know that my predecessor was very enthusiastic about this policy. The policy encourages, but does not mandate, the use of locally produced wood. The policy does require that the use of wood be considered in designs where it represents value for money, provides

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appropriate quality and functionality, and complies with our Buy Local Policy where there is no technical reason for not considering wood.

There are binding obligations on Tasmania that prevent the Government imposing local content requirements on the private sector investment. These also prevent the Government in its own procurement, directly and indirectly, from discriminating in relation to the use of local, interstate and foreign goods or services.

Going back I think to Mr Dean's question, we want to encourage more wood because there have been good reasons to have wood in a project. There can be good value for money; it provides functionality and a quality finish; technically it meets requirements, including complying with Australian Standards; and long-lasting wood provides a great long-term store for carbon.

In the development of this policy a broad range of Tasmanian industry associations were consulted including the HIA, the NBA, the Institute of Architects, the Cement Concrete and Aggregates Australia, Australia Steel Institute and the Local Government Association of Tasmania. The policy has been well received. It was implemented in June 2017 within the Government's procurement policy.

We are the only jurisdiction in Australia to implement a statewide Wood Encouragement Policy. It has been embraced by the University of Tasmania in its northern transformation. Every time we have the opportunity to speak to UTAS about the Inveresk development, I remind them. When I do, it becomes apparent I don't need to because they are quite excited about the use of wood within their developments.

Mr ARMSTRONG - Minister, other members might be able to correct me if I am wrong, I think it was in 2014 that a family came before us that had a sawmill in Westbury. They couldn't get a supply of logs for their sawmill. I don't know if this is a question for you or Sustainable Timbers Tasmania. Do we hear of any cases where sawmillers are having trouble getting logs for their mills?

Ms COURTNEY - I can't comment on that specific case, Mr Armstrong. Going back to some of the previous questions, my understanding is that from an STT perspective it meets its contracted obligations to timber mills. There are sources for wood in the private sector, which is growing strongly. It is difficult to comment on whether there are challenges with those contracts. If there are any specific examples, if you were to write to me, I could always look into them. I am afraid I can't comment on that.

Mr ARMSTRONG - I am going back a few years. They came before us as a committee when the bill was being debated.

CHAIR - Minister, I am won't take over your portfolio but it is the quality of wood that sawmillers struggle with. They end up losing half a log but they have had to pay for a full log. They don't necessarily have the residue opportunities some do. I am not sure we are going to sort that out this morning but it is a very good question.

Ms COURTNEY- I might ask Mr Morton to elaborate further on the specs for sawlogs.

Mr MORTON - Sustainable Timber Tasmania has a range of contracts to provide wood to a number of sawmillers. A number of sawmillers are always saying there are challenges in getting

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the volumes they would like. One of the things we will see in time is STT increasingly transitioning into regrowth and plantation forest. Some of the sawmillers around are not properly equipped to deal with that. That is a challenge that has been identified and it is going to have to be dealt with.

CHAIR - Neither are some of the new mills. They have to send their bigger logs to the sawmills because they can't handle the bigger size. I have a sawmilling friend who gets all the big logs that can't be processed at Bell Bay. You are always going to need the old sawmill type because the new machines don't cater for the different variances in size.

MS COURTNEY - I think there is also an increase in awareness that when timber products are being transported from the coup to the mill they are appropriate for their destination. From a transport perspective, you don't want to be transporting an enormous amount of weight over an enormous distance unnecessarily. Something that is the focus in harvesting operations is making sure you have consistency and that you are meeting the demand of where the final product is going.

CHAIR - A number of years ago we talked about air curtain burners in the forests that deal with the residue and do not leave it on the forest floor. They deal with it at the time that the wood is being harvested. At the time, it didn't get enough support from the industry or from the Government. Again, it probably shows that some of us have been around for quite a while now talking about the challenges and opportunities for the industry. I hope we'll be here a lot longer talking about it.

Grants and Subsidies

CHAIR - There is a forward reduction of \$2 million to Sustainable Timber Tasmania and it says that their financial outlook is improved. I hope the media report that tomorrow. There's still an expectation it will receive, through the CSO, \$8 million, \$10 million this year and \$8 million each year in the forward Estimates to 2022-23. Can you give me some idea where that improved financial outlook is coming from?

Ms COURTNEY - I welcome the question because this shows the Government's objective of putting STT on sustainable footing is becoming successful. I see it as a good thing; it's a good endorsement of the fact STT is in a good economic space. This has been developed through the Treasurer, myself and the chair of the board. Through their corporate planning process, STT has provided the Government with the advice that they are in a strong financial position and estimate they will be in the forward Estimates. Because they have this strong financial position, it has allowed the Government to reduce the CSO we pay to STT.

CHAIR - But the reduction is just for one year and then -

Ms COURTNEY - No, it's across the forward Estimates.

CHAIR - It's \$10 million this financial year, reducing to \$8 million in 2020-21, but then it's consistently at \$8 million.

Ms COURTNEY - It step-changes down and then it remains consistent once it's step-changed down. The CSO is used for hazard reduction burns, assisting with prevention and preparation for the detection of bushfires, and ensuring the Permanent Timber Production Zone land continues to be managed to be accessible and available for multiple uses. It's a good thing that SST is able to fund some of these community service obligations via the own strength of its balance sheet.

CHAIR - They still get an additional \$2 million though for firefighting from another line item, through 3.1.

Ms COURTNEY - That's correct.

CHAIR - This financial year they'll receive \$12 million from the state - \$10 million plus \$2 million. Then next year it will reduce to \$8 million, and we don't know whether there'll be an additional \$2 million.

Mr EVANS - No, the \$2 million is in the forward Estimates. That's in Finance-General.

CHAIR - That's in the forward Estimates as well, so that'll reduce down.

The real question is, where are they making their money now? Is it the price of the resource? Are they getting a better dollar value for it or are they just sharper in the organisation? Where are they making their savings to be able to have that decrease from the state's commitment?

Ms COURTNEY - I'll just provide a very high level answer because I don't have STT here. I don't want to comment too much because without the advice of the chair, that wouldn't be appropriate. We are seeing strong prices for wood at the moment. There is a lot of value being realised by Tasmanian participants, which is a really good thing and we are seeing a lot of reinvestment. There's also been a number of efficiency gains within the organisation itself. It's gone through a period of transition and I pay tribute to them because it was a significant transition they went through and they are a sustainable footing now. It is a range of areas. With the CSO going down I will continue to assess that, because we want to make sure we are not putting undue pressure on STT. For further details I would have to wait to December when I have the chair next to me and I am sure he will be delighted to assist.

CHAIR - Any supplementary on the CSO to Sustainable Timber Tasmania? The payments to the Forest Practices Authority - members of this House had a briefing in regard to an amendment bill put forward by the Forest Practices Authority.

Ms COURTNEY - I invite Peter Volker.

CHAIR - We were hoping you might invite Dr Volker.

Ms COURTNEY - And thank you, Mr Morton.

CHAIR - I am always interested in the Forest Practices Authority and have often cause to contact Mr Volker in the office. Obviously, the amendment bill put forward and supported by both Houses of parliament will make a difference to some of the roles and functions the FPA is able to undertake. Are there other challenges for the organisation and is this allocation of funds enough to cover those challenges?

Ms COURTNEY - I completely agree. They do a great job and it really does underpin the confidence within our forestry sector, and as a state we should be really proud. The amendments were done in real collaboration. In any part of government, as in the private sector, you are always looking to how you can improve things, and as industry evolves there is always going to be ways to improve. On the FPA directly I can turn to Dr Volker to provide more detail.

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Dr VOLKER - Our financial position at the moment is pretty sound and we have enough reserves. We have income of roughly \$2.4 million per year and expenditure projected at \$3.5 million. We have enough funds in reserve for another couple of years. We operate within our budget. It is like all these sorts of things, you could always do with more resources but you deal with what you have.

CHAIR - The forest practice officers are able to go out and assess the works undertaken because that is where the rubber hits the road, particularly for adjoining landowners once a coup has been harvested, and it is difficult to have recourse if there has been a mistake. Are the number of forest practices officers in the field meeting the needs?

Dr VOLKER - Yes, we have about 160 forest practices officers on the books now, which represents an industry contribution of about \$13 million or \$14 million value of those people, and demonstrates the success of current regulatory environment. They do a great job. When forest practices are completed, we have discrete operational phases - it may be a harvesting operation before the reforestation. At the end of the harvesting operation, we require a report to be produced to say they have complied to the provisions of the plan. The forest practice officers monitor and sign off on those reports. We are developing systems to make sure those reports are done on time.

CHAIR - Does the FPA have any involvement in regeneration when the coups are put back into either natural or plantation?

[10:15 a.m.]

Dr VOLKER - The plans will have a reforestation component in them. Generally, in the plans there are certain standards the owner will require to be met. That is all part of the plan and the monitoring. Generally, those plans don't finish until two or three years after the reforestation operation has been done to make sure that it's been done appropriately. We monitor that.

CHAIR - How many breaches for the last financial year were there?

Dr VOLKER - In 2017-18, we had 10 fines totalling \$153 000.

Mr DEAN - And that was a failure to do what?

Dr VOLKER - There's all sorts of things. Some of them are illegal clearing; some of them overstep boundaries, or do things contrary to their forest practices plan.

Mr DEAN - Not serious, but breaches.

CHAIR - Yes. If you take out somebody's trees, it's pretty serious, if they're not yours.

Mr DEAN - That's a civil issue, I would have thought.

Dr VOLKER - We had one person who cleared and converted about 20 hectares of threatened native vegetation community without a forest practice plan.

Mr DEAN - Right.

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Dr VOLKER - We're finding we're doing a lot of work in that area now. There are people who buy a property with the intention of doing some clearing and conversion who don't understand what their responsibilities are. In some cases, they don't even ask the local council, let alone getting engaged with the Forest Practices system.

CHAIR - That's how we built our state in the first place.

Mr ARMSTRONG - What was the largest penalty inflicted last year?

Dr VOLKER - Off the top of my head, we had one of \$84 000.

Mr ARMSTRONG - And your minimum?

Dr VOLKER - I think the minimum was probably about \$1000. Under our act we have the power to offer a fine to a person. If they refuse to accept the fine, we can go to the courts. In most cases, people will accept the fine.

Mr ARMSTRONG - Is there negotiating over the fine if they say that it's too much? Do you have to go to the courts or is there another mediation process?

Dr VOLKER - We make an offer of a fine, and we give them an opportunity. Generally, there's been an investigation and there's been some to-ing and fro-ing. The board makes a determination. We then give the person 30 days to respond so they can make a case that the fine is too much. In some cases, we've had people say, "Rather than paying the fine, how about I undertake some rehabilitation work to fix up the problem that I caused?" In that case the board has the power to -

Mr ARMSTRONG - So, there's the to-ing and fro-ing. If you can't come to an agreement, the next position is to go to the courts, is it?

Dr VOLKER - Yes. That's always an option that the authority has.

Mr ARMSTRONG - There's no other mediation option?

Dr VOLKER - Yes.

CHAIR - Now with the RATRA amendment you can award compensation to those who have been wronged through the process.

Dr VOLKER - Yes. So, our act says that if something's been done, we can fine up to two times the cost to make good. The new amendment will allow us to put some of that money towards compensating a third party if their land has been impacted so they can fix it up themselves.

CHAIR - My question concerns Private Forests Tasmania.

Ms COURTNEY - Yes. I might ask Penny Wells to join us at the table.

CHAIR - Thank you, Peter. I never like to see people come along and not get an opportunity to speak.

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Welcome and congratulations on your appointment to Private Forests Tasmania. I don't think you've been to the committee before in your new role. Well done.

Ms WELLS - Thank you.

CHAIR - This output talks about the payment representing a contribution to Private Forests Tasmania, We heard through the minister's contribution that Private Forests have increased their contribution to the resource availability for the forest industry more broadly, around 74 per cent. I am not trying to take any money away from the organisation, but does that mean private landowners don't need as much subsidy because they can put forward some more funds themselves? I am interested in what the organisation does and about the line item. It is an allocation of \$1.615 million.

Ms COURTNEY - I will ask Ms Wells to talk about the allocation of funding and the sources of revenue for PFT. As in the sentiment in your opening statement, it has been wonderful to have Penny Wells in the role. I know the level of engagement with PFT since her appointment has been very strong. I have attended a number of field days organised by PFT, one in the north-west and one near Campbell Town, which they did in collaboration with the TFGA, making sure that we are educating farmers.

It is great to see - at the non-industrial end - a lot of farmer now considering reinvesting into private forests and also a lot of new people that haven't engaged in private forests before. The role that PFT is playing is very important in educating people. We are working with those who have been impacted by the bushfires and taking a proactive approach to that. Ms Wells accompanied the Premier on the recent trade mission to Japan. PFT is going from strength to strength. Anecdotally, I have heard from a lot of stakeholders about the value they see in the funds that they provide through a levy to PFT. Perhaps Ms Wells can provide some further information.

Ms WELLS - Private Forests Tasmania is funded through primarily two sources: one is the appropriation that you see there in the subsidies, which is remaining pretty consistent over the forward Estimates. Under our act, we are also required to charge the private forest service levy for private forest harvesting operations, which equates to \$15 a hectare. The private forest service levy income that Private Forests Tasmania receives in any one year is directly related to the level of harvesting, which has increased over recent years from about four or five years ago. I think Private Forests Tasmania, when I was not there, had some challenges with respect to its income, but both the levy and the consistent appropriation through government have enabled the organisation to build back up over the last couple of years.

CHAIR - That was primarily because landowners who had private forest weren't selling their timber because there was no value in it?

Ms WELLS - Yes, there have been a number of factors; it's the price and there have been some stranded assets in the south with some of the infrastructure challenges. The cost of transporting north, combined with low prices, has meant that for a number of landowners this was not cost effective.

CHAIR - On management practices, the minister talked about the field days. There is always an annual dinner where there is an award for someone who is doing something really well. Is that process going to continue?

Ms WELLS - I am not sure if PFT actually had awards. The Forest Practices Authority has had a regular award program and I think the Tasmanian Forest and Forest Products Network, which is new, is also looking at industry-wide awards. In terms of our activities, we are certainly very keen to be engaged with all of our levy payers, but also across all of the forest growers private forest growers and potential private forest grower to increase engagement and particularly there is a significant looming deficit of the amount of forest resource growing in Australia to meet the projected global demand for fibre and timber.

One of the significant jobs ahead of us is to facilitate and work with landowners to increase the amount of wood being grown and available to the markets. This is a major area of effort we will be engaged in.

CHAIR - Can we have a total of the levies that were paid by the landowners in the last financial year?

Ms WELLS - For 2018-19 we had forecasted \$220 000 in levies and have so far received \$235 000.

Mr ARMSTRONG - Is there a lot of interest being shown for farmers to go into private forests and expand?

Ms WELLS - There is still mixed reaction to expanding agricultural enterprises into growing trees. Many of the tree farmers have been in the game for a while and definitely a challenge for Private Forest Tasmania to engage new entries into the forest growing business. It is very much around the business model and prices for timber are making it much more attractive to put trees in the ground.

CHAIR - Thank you, Ms Wells, and all the best.

4.2 Mineral resources -

CHAIR - Anything you would like to share?

Mr DEAN - The Burnie move as a transfer of position.

Ms COURTNEY - The stages of the project have been completed now and in terms of the numbers of employees, all four of us could answer.

Mr DEAN - And the total cost incurred as a result of all of this and any other issues?

Ms COURTNEY - We are very proud of this policy of making sure that public servants involved are close to this important industry. Mr Brooks was very committed to this. Last year, 10 people were located at Burnie and as of today 12 located are at Mineral Resources Tasmania in Burnie, with two positions yet to be filled.

Mr DEAN - Are they vacant position or are they still in the south?

Ms COURTNEY - I will get the director to talk about those positions.

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Mr ROBINSON - Thank you, minister. Through you, of the two positions filled, one in particular has come from Hobart and gone back to the north-west coast. We have two positions that are looking to be filled. One will be effectively a relocation of a role that's in Rosny at this time, and that will go to Burnie. We're anticipating that to occur during this financial year. The other position that may occur is dependent upon the functions and the requirements of Mineral Resources Tasmania going forward.

Mr DEAN - Yes, I understand. We went down this path last year. There will still be an office in Rosny, won't there? That will always remain?

Ms COURTNEY - We've still got the Core Library based in the south.

Mr DEAN - Yes.

Ms COURTNEY - Having looked at it, I now have a very keen understanding of the significant challenges of moving that Core Library. That's at Mornington. There's also the collaboration and a lot of the research that's done through the university has relied on the Core Library. Perhaps Mr Rutherford could elaborate?

Mr RUTHERFORD - The focus of, if you like, the back office has been at Rosny and Mornington. That's the part that works on the geophysics with the people at the university in particular in shared facilities. We are progressively looking at moving the remaining public servants in the south to focus on the site at Mornington around the Core Library. That's an ongoing process. It's tied in with the needs of another government department, the Department of Justice, but it should be a very smooth transition.

Mr DEAN - How strong is the involvement with the university?

Mr RUTHERFORD - It's very strong in two ways, really. First of all, a lot of the technical equipment at Mornington is of great use to the researchers at the university. A fair amount of professional collaboration goes on. Indeed, we've had staff move between the two organisations. Can we call him the chief geologist yet, Kevin? Perhaps not. The person who carries out the functions of the State Chief Geologist, Andrew McNeill, is a former university alumnus. Kevin's photograph - I've embarrassed him with this before - appears on the honour board for his honours degree at the university. He doesn't look any different, I have to say. Those connections are really important and they keep us having critical mass in geological science together.

Mr DEAN - Minister, what's happening in the side of mineral exploration at present? I think we've got to the second round of the Mining Exploration Grants Program with \$50 000 I think being provided to smaller organisations to look at greenfield sites. How many do we have that have taken on those grants? What have been the results that have come back from the explorations that have occurred?

Ms COURTNEY - So, the Exploration Drilling Grant Initiative; called EDGI, has been really successful. I was on the west coast only about three or four weeks ago, looking at one of the drilling sites of one of the successful proponents. We know that this type of co-investment with industry increases greenfields exploration in particular.

So, that's one of the things we want to do, as opposed to brownfields exploration. To have a strong pipeline for the future of mining, we know we need to be doing this exploration. It's also

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very competitive between jurisdictions because we know the economic benefit, jobs and royalties that can flow from mining activity. There is competition from different countries and also from within Australia to get people. These types of initiatives are really good to get people to invest here. Some research on similar co-funding drilling programs has indicated there is a cost-benefit ratio of up to 23:1. For quite modest investment we are leveraging a low investment from the private sector to be able to look at what we can achieve.

On the successful applicants, eight companies lodged applications for 13 drilling programs; 11 of these applications were for metal and two were for coal. Two of the programs also requested co-funding for helicopter access. We also had a component of a grant for helicopter access. Some of these locations are quite remote so that provides for that ability to do it. We are seeing that is going ahead. I know from speaking to successful applicants from both rounds 1 and 2 that this is bringing forward investment, it is making investment where otherwise there would not have been investment. In particular, some very promising results are coming from that drill site we looked at when we were there.

Mr DEAN - What sort of results have we got? Does it look at this stage as though we may well have other mines developing in the state as a result of it?

Ms COURTNEY - I will pass to the director to talk about the results we have seen so far. We know there is a long lead time, so I have every expectation that we will have some very successful results. But then, I have an expectation that will lead to further investigation because of the quantum of capital that is involved in a new mine. There is another body of work that has to go in beforehand for the leases and licencing.

Mr ROBINSON - The EDGI program, as the minister indicated, kicked off quite recently in 2018 and therefore the drilling associated with it and the lag effect that occurs is such that they have to do all the preparatory works. We have had a number of holes that have commenced; a couple of the holes have been completed. The hole the minister visited at Zeehan was still being drilled.

Mr DEAN - Is that Accelerate Resources?

Mr ROBINSON - No, that one was from Australian [inaudible] and quite a deep hole, over 800 metres deep. We saw the visible mineralisation in the hole but we wouldn't know what the results are because once you have finished drilling, you then have to go through the process of assaying and then interpreting the results looking forward. There has been mineralisation seen in a couple of the other holes. One hole doesn't normally make an ore body, so what they are using is this information to then plan further holes. That also gives them the opportunity to participate in further rounds of the EDGI program, as any additional holes they plan to drill will be associated with greenfields exploration.

Mr DEAN - Is there any evidence to show that any of the drilling has returned a very positive position for the availability of minerals in those areas?

Mr ROBINSON - The one that we visited at Zeehan had very strong mineralisation coming through. Again, I wouldn't like to put too much onto that because you need several holes to be able to prove the consistency of mineralisation across a zone - but it's very encouraging.

CHAIR - People might go out and buy shares on the strength of what you've just said.

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Mr DEAN - What is the position of Mount Lyell?

Ms COURTNEY - I have visited Mount Lyell on a number of occasions and met with management. This mine is very close to the heart to the Queenstown and the broader west coast community and the Government post-mine closure has provided substantial support, including direct grants for onsite works. The pinning works and other aspects are largely complete.

We have provided them with a larger assistance package, once they are back up and running again. I cannot provide a time frame but I am ensuring management at all levels knows the Government is a strong supporter of the mine. I have regular conversations with management here and overseas and am still hopeful of a timely restart. Given this is a global company, I cannot pre-empt what they might do but we are hopeful of a restart.

Mr DEAN - There was a workforce still on site and keeping it in a care and maintenance mode.

Ms COURTNEY - They have been doing remediation works in preparation for a restart. Perhaps the director would like to provide more detail about ongoing operations?

Mr ROBINSON- The current workforce at site is around 25 full time staff. The additional works they were undertaking was \$4.5 million for the refurbishment of the peak line, the main tunnel used to access the ore zones. Rehabilitation repairs of \$1.5 million to the North Lyell tunnel to manage the water flows within the mine. To carry out work on a crushing circuit \$2 million and \$1.5 million was allocated to various restart reengineering studies required to assist the company in making their decision.

In that process, 50 to 60 additional people were employed. It has been quite a benefit to Queenstown and the company has spent more than \$100 million in that time keeping the mine on care and maintenance.

Ms ARMITAGE - There have been issues with the Avebury Mine, but it has been in care and maintenance for close to a decade. Purchased by Dundas Mining in 2017, there are a few issues with the local council. Last year, the Prime Minister, Malcom Turner, and the Premier, Will Hodgman, toured the site and the state Government promised a support package of \$3.5 million in payroll tax relief to assist the reopening.

Is the Government still working with Avebury? Mr Hodgman said Dundas Mining plan to begin recruiting 200 mining processing and administration jobs immediately, with plans to have the mine back in production by January 2019; obviously the council issue has come into play there.

Is there still some involvement with the Government trying to get this mine open because of the jobs as, obviously, the industry would be appreciated in that area. What is the current situation?

Ms COURTNEY - The Government remains supportive of the restart of the mine and as you outlined, approved the provision of a \$3.5 million assistance package for infrastructure and approvals. I will ask the director to discuss the actual logistics of the mine. From a government perspective I would be very supportive of the mine restarting.

Ms ARMITAGE - Is the Government working with the council to try to resolve the issues?

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Ms COURTNEY - The issues have been publicised between Mr Summers and the local council. It is not our role to step in and adjudicate a dispute such as that. I am very hopeful that they will be able to seek a resolution so it can benefit the community and the resumption of mining can happen.

Mr ROBINSON - Again through you, minister, the status of the mine is that there are staffing levels of up to 10 people permanently associated with restart.

Ms ARMITAGE - It's the care and maintenance.

Mr ROBINSON - It is care and maintenance and it is also doing the studies associated with the restart.

Restarts are also quite dependent upon commodity prices prevailing at the time and the companies forecast going forward. The restart is an analysis being undertaken by the company. With regard to the mine, it has been under care and maintenance for a significant amount of time. There have been some issues which the company has been looking at in terms of the commodity mix associated with the mine and how those commodities can be marketed and handled. They are still ongoing assessments. I believe that they will also need to work with the EPA in regard to having their permit appropriately in place for any resumption.

Ms ARMITAGE - So, it is not simply that the council issue is the delay; there are other factors at play that have delayed them restarting, such as, market and EPA.

Mr ROBINSON - That is correct.

Ms ARMITAGE - If it were purely the council, I would think that the Government should intervene in some of the negotiations when you look at the industry and the jobs involved.

Ms COURTNEY - I do not want to reflect too much on a private company, but my understanding is that there is a range of commercial considerations. It would be a matter for that company in terms of the decisions that it needs to make.

Ms HOWLETT - Minister, I understand that the Mineral Exploration Investment Attraction Plan is designed to ensure Tasmania's geological potential is promoted to explore for a global context. Could you please describe to the committee how this is being implemented?

Ms COURTNEY - Thank you, Ms Howlett. I mentioned earlier the importance of ensuring that Tasmania is getting sufficient investment into our mining industry. We have some amazing assets and great people able to work in the industry.

As I reflected earlier, the industry is subject to the influences of the global economy and commodity cycles; however, it is important that we do continue to explore for and develop our resources such as through the EDGI grant scheme.

To bring Tasmania to the front and centre of the international mining focus, the Government has implemented a mineral exploration investment attraction plan, ensuring that the Department of State Growth is adequately resourced to globally promote opportunities for exploration and mining in Tasmania.

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The north-west of Tasmania is one of most highly mineralised terrains in the world. The deposits may be hard to find but when they are found, they are very high quality in grade. We are telling the world we have resources here and that they should come to Tasmania. Mining exploration and mining are globally competitive. Because of this competitive nature of the environment, there is a need to promote the ongoing exploration required to sustain our processing industries.

Promotional activities under the plan involve both direct marketing and the provision of pre-competitive geoscience data. In 2018-19, MRT spent around \$120 000 on direct marketing of geoscience data and the exploration of mining industry. A new plan is in preparation with a forecast expenditure of \$120 000 in 2019-20. This level of investment is absolutely critical to make sure we are getting our message out to the world.

Promotions include a mixture of attendance at trade shows, presentations at conferences and web-based material. For international events, MRT is a partner in Australian Minerals with Geoscience Australia and all other state jurisdictions to ensure a cost-effective cooperative marketing of our mineral potential at international events such as the China Mining Congress and Expo and the Prospectors and Developers Association of Canada convention.

We are supporting a range of initiatives to ensure that we are getting the investment we need to develop these resources.

Mr ARMSTRONG - Minister, I'm quite interested in the Core Library. That's in a privately owned, a leased, building, isn't it? It's not owned by MRT?

Ms COURTNEY - It's government-owned.

Mr ARMSTRONG - It is government-owned. What actual core samples come into that establishment now? Originally MRT, or the old Mines Department, had their own drilling crews and all their cores were actually transported into there, because I used to do it. It was mainly their own exploration stuff who went in there, unless there was some stuff from Hydro and other mines. What core samples go in there now? In the long-term, if they're taking it from mines on the north-west coast, are they going to put a core library in the north of the state too, or this going to be the only core library they are going to have?

Ms COURTNEY - One of the reasons why the Core Library = has remained in situ is the size and the scale and the difficulty of moving the cores that are there. My understanding is the cores are required to be provided by people who are doing exploration work under legislation. Perhaps the director could provide some more detail on what is contained there and some of the processes involved.

CHAIR - Some members have actually had a visit. The Legislative Council members had a site visit there.

Mr ROBINSON - We are very proud of the Core Library facility because it is one of the facilities of the highest standard relative to other jurisdictions in Australia. The sources of the core come from a number of the mines right down the west coast, through the east coast and the north. We are continually getting cores coming in from those mines; we've had cores, for example, the Rosebery operation in more recent times. We also have a requirement with the EDGI program that

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after a period of 12 months the core associated with the drilling in that program is to be provided to the Core Library and for public access.

The other area where we receive a lot of visitation to the Core Library is our collaboration with the university and Centre for Ore Deposit and Earth Sciences - CODES. They take students across to look at and review a lot of the cores because we have a wonderful set of cores, not only representative of geological stratigraphy - different formations - in the state, but also of mineral deposits all the way down the west coast. In some cases we have requested some of the cores remain at some of the big mines at this point in time, but we are getting an amount of that core coming through. We have had expansions to the Core Library since it's been in existence in Mornington.

Mr ARMSTRONG - What are the numbers now employed by MRT?

CHAIR - And how many are at the Core Library? That's a question from the member for Launceston.

Mr ROBINSON - We have six roles at the Core Library, of which we have five FTEs involved in the Core Library in different areas relating to the core laboratories. We also have the HiLogger operation, which provides analysis and so forth. Overall, in MRT we have - bear with me.

Ms COURTNEY - My understanding is that at both the Rosny Core Library and Mornington laboratory there are 26.4 FTEs, and there are a further 9.8 FTEs in statewide positions.

Mr ARMSTRONG - When they moved to Burnie, did you say that's completed or who's going to Burnie is completed?

Ms COURTNEY - The stages of the relocation have completed and there are now 12 positions in Burnie and two positions being filled.

Mr ARMSTRONG - The mining engineering department is there and is more expected in Burnie?

Mr ROBINSON - It is more the [inaudible] administration there. There is geology and areas of the scientific services for the inspectorate, bearing in mind some of the roles are statewide. Some are based in the south and some in the north as well as myself.

Mr ARMSTRONG - How many geologists are now employed by MRT?

Mr ROBINSON - There are three active field geologists undertaking mapping, one based in the north-west.

Mr ARMSTRONG - Regional mapping?

Mr ROBINSON - That is the Regional Mapping program and two in the south. In management a number of people are qualified, for example, Andrew McNeil, who looks after the geological section is a geologist, as I am.

Mr ARMSTRONG - Engineering?

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Mr ROBINSON - We do not have an engineer?

Mr ARMSTRONG - Engineering geologists?

Mr ROBINSON - No, because of the amount of time we need, engineering consultancy within the role of MRT we use consultants from outside on as required basis. We also have two geophysicists employed and three geologists associated with activities more associated with monitoring of landslides, flood-type events and so forth.

CHAIR - How much was spent on consultants in the last financial year?

Mr EVANS - We have figures for consultants used agency wide but do not have them broken down.

CHAIR - We will have agency-wide and then we might be able to put on notice the one for MRT?

Mr EVANS - There are 45 significant contracts and consultancies over \$50 000 for the period from 1 July 2018 to 3 June 2019. They totalled \$29 million but the vast bulk of those funds relate to roads. To break it down by area, 31 of those consultants and contractors were in Infrastructure, two in State Growth which includes MRT, two in Science and Technology, five in the Arts and five through the Coordinator-General's office. I do not think we have any over \$50 000 in MRT but I stand to be corrected.

CHAIR - How much were the MRT contracts for the last financial year? You said you contracted to do engineering work.

Mr ROBINSON - No, I said if we needed to do engineering work, and we have not because we have not had a need.

Mr ARMSTRONG - With your drilling program - one of the other members touched on it - if somebody applies for a drilling program, do you pay per metre or per hole, or 1000-metre hole do you pay so much towards the cost or do you pay the whole cost? How do you actually do it?

Mr ROBINSON - With the EDGI program, a number of people who apply and a panel assesses the applications and then the decision is made.

Mr ARMSTRONG - A panel from MRT?

Mr ROBINSON - No, it also involves independent people from outside who have volunteered to come onto the panel. The panel then choose the holes, based on the merit of the programs and then the EDGI program allows us to provide grants of up to 50 per cent of the direct drilling costs but that is capped at \$50 000. Then if a hole requires helicopter support because it is in a remote access area, we will pay up to \$20 000 to provide assistance. I am happy to say that this whole program has been a success and it has encouraged further exploration into greenfields. We are seeing that starting to come through the numbers.

Mr ARMSTRONG - Any idea of how many metres have been drilled under that program?

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Mr ROBINSON - I can put it slightly differently in that the proposals from rounds 1 and 2 of the program amount to, if fully completed, 9860 meters of drilling. The amount we would need to co-fund is \$868 750.

Mr ARMSTRONG - Is that predominantly for diamond drilling or reverse cycle or whatever type?

Mr ROBINSON - That is a good question. It is for diamond drilling. Of course, you do get the benefit from diamond drilling of getting the drill core which preserves and provides a lot more technology for doing work further on down the track, especially through the Core Library.

Mr ARMSTRONG - So it is predominantly for diamond drilling?

Mr ROBINSON - I do not believe there are any reverse circulation holes in the program.

Mr DEAN - I want to get clarity around Burnie. I take it that all of the personnel there are physically located at Burnie and they are not drive-in, drive-out?

Ms COURTNEY - Correct.

Mr DEAN - What is the future of the bauxite mine at Campbell Town? Where is it at, at this time? I know there have been issues. Where are we at with that mine?

Ms COURTNEY - I might ask the director for an update on this mine.

Mr ROBINSON - Thank you, minister. With regard to the bauxite mine, I am happy to say that the group has just received final payment for the sale of 33 000 tonnes, which was shipped in mid-May.

If I might provide a little history, when the bauxite mine was about to start shipping there was an issue with some of the South-East Asian countries. They off-loaded and freed up a lot of bauxite material, which reduced the prices quite significantly and made the marketing side for Australian bauxite with their products ready to ship quite difficult. They have handled that by opening up new markets, where they are also supplying to the cement industry and also looking to the fertiliser industry as well. Of course, they are focused on the metallurgical side of this.

Mr DEAN - Where is that product going to for the fertiliser side of things? Is it coming here?

Mr ROBINSON - I am afraid I cannot answer that.

Mr EVANS - I had in my head that it is going to Adelaide.

Mr DEAN - Is it?

Mr ROBINSON - Given that they have had these recent shipments, the mine is also looking expand their production. They have supplied 110 000 tonnes of cement-grade bauxite to date and only 10 000 tonnes in addition have gone to the fertiliser market. The other thing that is important is that the total permitted disturbance area was 41 hectares. The MRT has received a partial surrender of their areas as they have finished mining in those areas. They have now rehabilitated 19 hectares and returned the land to the private land owner. That land has been fenced off from the

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operations and the land owner has recommenced cropping and grazing on the property, including pivoted irrigation.

Mr DEAN - It is interesting, isn't it? And the product is obviously being shipped out of Bell Bay and that is being managed in the right way?

Ms COURTNEY - I would expect so, but I can't comment on that.

Mr DEAN - Is the product going to Adelaide? I think the secretary said.

Mr EVANS - I'd have to check. When I was last involved in this they were sending a lot of product to Adelaide.

Mr DEAN - I don't know whether Nyrstar are still involved in that, I suppose they are. Does the position at TEMCO impact at all on mining in the state?

Ms COURTNEY - TEMCO has a review underway at the moment. That site, as you would know, is a very important facility in Bell Bay and -

Mr DEAN - Extremely important.

Ms COURTNEY - it employs a lot of people.

CHAIR - And in the Bass electorate around Launceston.

Mr DEAN - Yes, it does.

Ms COURTNEY - I see them driving up there. You drive down the East Tamar Highway in the morning and you see everyone driving up to and from George Town. But, in all seriousness, it's an incredibly important facility. They've announced a review and the Treasurer and I, along with some of my colleagues, have met with the company to make sure they are aware that they have full government support as they undergo this process, because it's a very important contributor to our state and the local community.

Mr DEAN - I've a meeting with them as well next week or the week after.

Ms COURTNEY - Yes. We want to see the best outcome possible so we're engaging with them and making sure there are ways the Government can assist. They're working through their own processes now with regards to that.

Mr DEAN - Looking to the future, if the worst were to happen and I suspect your Government has looked at this, what impact could it have on mining in this state?

Ms COURTNEY - With regards to the -

Mr DEAN - Because of the product.

Ms COURTNEY - The actual product? It's my understanding, Mr Dean, and I will correct the record if I'm mistaken, that for processing, they source the product not from Tasmania, they source it -

Mr DEAN - I thought a part of it came from here.

Ms COURTNEY - My understanding is they source it from one of their own mines in Queensland and it is then processed here in Tasmania, and then shipped to market from there.

Mr DEAN - Yes. I thought some of the product was from here, but I could be wrong and I'd need to get the briefing notes.

CHAIR - Is there a clarification? Is there any product from Tasmania in the processing?

Ms COURTNEY - Apparently, I understand there's a small amount of iron ore from Flowery Gully, but I've not sought that from the company.

Mr ROBINSON - Minister, there may be some iron ore that's part of the process that's taken from one of the Tasmanian operations to combine with it, but the majority of the material, being manganese, is coming from operations -

CHAIR - It's still going to impact Tasmanian -

Mr DEAN - That's right. There is an impact, and that's what I was told, but I'll get more on that.

CHAIR - Okay. You might talk about that in the House after you've had your meeting, if that's appropriate.

Mr ARMSTRONG - Yes. I think it was in the 1980s the Lune River limestone quarry was closed down. I was just wondering whether anybody has -

CHAIR - Probably before the minister was born.

Mr ARMSTRONG - Yes, probably was - whether anybody has shown any interest in exploration for limestone in the south of the state?

Ms COURTNEY - I will have to defer that question.

Mr ARMSTRONG - The reason I'm asking is the farmers have to transport all their lime from the north of the state. I was just wondering whether anybody has done any -

Ms COURTNEY - Yes, I understand the importance. We've had a recent mine open in another agricultural area that has been welcomed by that community, but, I'm not sure whether you're able to provide me more detail on that region.

Mr ROBINSON - We do have limestone mines in south of the state. I am not aware of one at Lune River starting up. Maydena is an area where we have limestone and aggregates.

Ms COURTNEY - There is an approval to develop a midsize limestone quarry near Maydena, a mining lease has been granted and, as you say, that is in clear recognition it is important for Tasmania and for agriculture.

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Mr ARMSTRONG - Can you elaborate where the lease been applied for?

Ms COURTNEY - I cannot provide an update other than the fact a lease was granted in February this year,

CHAIR - This will be our last question, Miss Howlett.

Mr ROBINSON - The limestone mine at Maydena is coming on line presently and in the process of developing ready for new production.

CHAIR - Can we have a definition of presently? Mine is about 10 minutes; yours might be different.

Mr ROBINSON - It takes some time to bring production streams on line and it will be this year.

Ms HOWLETT - Minister, could you please update the committee on the Geoscience Initiatives program due to run until 2020?

Ms COURTNEY - I can. This program is running until 2020; the Government has committed \$1.4 million over four years for an implementation plan that will ensure the Department of State Growth is adequately resourced to promote opportunities within mining.

With this program data will be collected, interpreted and existing data re-examined. To date the work has focused on 1:25 000 scale geological mapping with three new mapsheets published, mapping of four further sheets completed and revision made to 34 existing mapsheets.

These maps and other products from this work will assist mineral explorers and encourage mineral exploration in the region, but will also contribute to land use planning decisions and products such as the statewide landslide hazard banding.

One of the projects in this initiative is continuing to develop updated 3D geoscience models of the geology for the most prospective parts of the state. MRT has released the new Alberton-Mathina 3D model in north-eastern Tasmania covering one of most gold-rich areas in the state is a result of world-leading research and freely available on the internet. The 3-D model for western Tasmania released in 2017 indicated an area that might be highly perspective, which is being followed up the company that holds exploration licence over the area.

The work being undertaken in this initiative complements programs being undertaken as part of the mining sector innovation initiative which commenced in 2017-18 and focuses on key innovative products in partnership with T-MEK, CODES and UTAS.

The committee suspended from 11.14 a.m. to 11.35 a.m.

DIVISION 6

(Department of Justice)

Output group 1

Administration of Justice

1.10 Workers Rehabilitation and Compensation Tribunal -

CHAIR - Minister, we are on to your area as the Minister for Building and Construction. Our first line item is 1.10. Do you have an opening statement?

Ms COURTNEY - I will make a brief opening statement so we can launch into questions and be efficient. I welcome Dale Webster. I know many of you already know that he's Deputy Secretary of the Department of Justice. Kathrine Morgan-Wicks and Nick Evans are both apologies because they are in another committee at the moment but I feel quite confident that with the support we have behind us, we will be fine to be able to answer your questions.

The Hodgman Liberal Government is absolutely committed to making it simpler, fairer and safer to do business in Tasmania. We have committed to focusing on building a strong culture of prevention, eliminating causes of work-related harm and advancing workplace health, safety and wellbeing for all Tasmanian workers and families.

This year's Budget supports this commitment by including funding for up to five additional Worksafe Tasmania inspectors and providing a \$700 000 package of measures to increase quad bike safety, not just for farm workplaces; it will increase safety for all recreational users of these vehicles.

These affirmative actions will help to provide improved safety, health and return to work outcomes for Tasmanians and reduce the number of unnecessary deaths and serious injuries resulting from unsafe practices.

The Hodgman Liberal Government has also been working hard to ensure we have the right conditions in place to maintain a positive momentum currently underway in the building and construction sector by stimulating more construction, creating jobs and boosting the economy even further.

We have a record investment of \$3.6 billion in infrastructure around Tasmania as part of our commitment to deliver the state's \$13 billion, 10-year infrastructure pipeline. We know that there is a need to meet the increase in demand for skilled workers to deliver this infrastructure, which is why we are investing an additional \$2.9 million for apprentices and training.

We understand there is a high demand for new housing, which is why we are rolling out our multi-pronged approach to address the current housing shortage, including our nearly \$200 million investment over eight years in the Affordable Housing Strategy.

These initiatives show we are investing today to ensure the delivery of our long-term plan to grow the economy, create jobs and invest in the infrastructure that Tasmania needs now and for tomorrow.

Ms HOWLETT - Minister, there is a growing recognition in the field of occupational health and safety that episodes of mental has been under-reported. Can you describe any initiatives being taken to address this concern?

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Ms COURTNEY - Thank you, Ms Howlett. As we know safe and well workplaces are more easily achieved when workers communicate with each other to identify hazards and risks, and where we have workplace where we talk about health and safety concerns and work together to find solutions. WorkSafe Tasmania's Strategic Plan 2018-23, developed as a joint initiative with the Workcover Tasmania Board, establishes a number of strategies to deliver its promise to the Tasmanian community of being safe and well every day.

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Mr WEBSTER - That's right, so there needs to be a transfer of money to pay for those resources that are used. It is the same people doing it. The vast majority of their work is workers compensation. The smaller tribunals take up a part of their time. This compensates the Workers Compensation Tribunal for the work they are doing on the hosting of the others.

CHAIR - Can we have the number of issues put forward to the Workers Compensation Tribunal for the last financial year? And the one previous to give us an idea of whether there has been an increase.

Ms COURTNEY - If you don't mind, we might take that on notice and get that information back to you.

CHAIR - So the number of cases that have been brought forward. While you are gathering that, you might get the number of cases that have been concluded or if they have had an outcome.

Ms COURTNEY - We will get that information and description around it as well.

Mr DEAN - I notice there has been an increase in the Asbestos Injuries Compensation Fund of almost \$1 million in the current Budget 2019-20. Then it stays somewhat stagnant from that period on. Are we expecting a number of additional claims to come in over this period? Where are the claims? Have they stalled somewhat or are we getting more? What is the position.

Ms COURTNEY- Based on actual assessments of the scheme, the asbestos compensation scheme, the levy for the 2019-20 financial year will remain at 3 per cent; the 2019-20 levy was published in the *Tasmanian Government Gazette* on 13 March 2019. As you will be aware, it administers compensation benefits to workers and family members of deceased workers, including lump sums, weekly payment and a payment of medical and other expenses such as funeral costs.

For the nine months to 31 March 2019, the fund received \$5 962 739.13 in asbestos levy contributions. The total fund expenditure \$3 328 761.25. There were 13 new applications for compensation, of which four were accepted for imminently fatal asbestos-related disease, inclusive of one application by a family member. Two were accepted for non-imminently fatal asbestos-related disease; one is pending; five were not accepted, but one has been referred to the Asbestos Compensation Tribunal and one has been withdrawn.

Mr DEAN - Under the area of Administered Expenses, there has been an increase in this year of about \$1 million. What is covered in that area? Does that cover the ongoing contributions for these payouts? Does it cover all costs to fund the program? A number of employees in this area.

Ms COURTNEY - I will get Mr Webster to respond.

Mr WEBSTER - The expenses chart you are referring to is the total cost of administering the compensation fund across each of the years.

Mr DEAN - So that includes the payouts?

Mr WEBSTER - It includes the payouts. The out-years obviously are an actuarial assessment rather than a guesstimate. It's the total cost of the funds. The number of staff in this area at the moment is two FTEs. Two FTEs in the staffing of it but obviously the rest of the expenses is that compensation.

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Mr DEAN - What are the administration costs incurred in this area that make up a part of the \$7 695 000 provided for this current year?

Mr WEBSTER - Yes. The administrative costs were \$177 588.

Mr DEAN - And the rest is in compensation payments?

Mr WEBSTER - Yes, the rest is compensation.

CHAIR - That is two FTEs.

Mr DEAN - Yes.

Mr WEBSTER - So, compensation, medical expenses, impairment assessors and medical panel costs make up the rest of it.

CHAIR - Does that include the commissioner in the \$177 000?

Mr WEBSTER - Yes, it does. So, the commissioner is the CEO of WorkSafe, so a proportion of the CEO would be in that.

Mr DEAN - Looking to the future, is the position that the number of claims will decrease over the next few years? Over the last few years has it been increasing, decreasing, or somewhat similar?

Ms COURTNEY - I would like to introduce Mark Cocker to the table, the CEO of WorkSafe, to provide detail.

CHAIR - Welcome, Mark.

Mr COCKER - Thank you.

Ms COURTNEY - On the future claims.

Mr DEAN - We are taking more care in treatment of asbestos, to try to ensure nobody else suffers that terrible disease. How are the figures going?

Mr COCKER - The number of claims entering the asbestos compensation scheme have remained fairly static over the past number of years. Since 2011 there has been a total of 157 claims into the scheme. I have asked our actuarial provider to do some forecasting, based on trend analysis as to future potential increase, decrease or otherwise of claimants coming into the scheme.

Mr DEAN - Right, that is being done.

Ms COURTNEY - That is being done.

Mr DEAN - Maybe next year we will be able to ask questions in relation to what the result of that might have been.

CHAIR - Thank you. Ms Howlett?

Ms HOWLETT - Thank you.

CHAIR - Still on 1.10.

Ms HOWLETT - Still on 1.10?

CHAIR - Still on 1.10.

Ms HOWLETT - I thought we had moved to 4.4.

CHAIR - No. Are there no other questions? Mr Dean has one in regard -

Mr DEAN - I have.

CHAIR - You have, I know.

Mr DEAN - If the Workers Rehabilitation and Compensation Amendment Bill 2019 (No. 20) passes through our House, will police officers already on a wage stepdown be eligible for an increase? Will this be retrospectivity applied under this bill?

Ms COURTNEY - With regards to this legislation although I am responsible for administration of the act, it is the minister Mr Ferguson who is taking this through parliament at the moment. My advice is it is not retrospective.

Mr DEAN - At all?

CHAIR - You will be able to ask some questions through the course of the second reading speech and Committee stage of the bill, if it gets to our House.

Mr DEAN - Yes. It is in our House.

CHAIR - It is in there?

Mr DEAN - Yes, it has gone through the other.

CHAIR - I have not had much time to look at legislation in the past couple of weeks. Thank you. If there are no other questions?

Mr DEAN - The Accidents Compensation Tribunal, there is a responsibility here in this area for that.

Ms COURTNEY - That is under the Attorney-General.

Mr DEAN - This output provides administrative support for the Motor Accidents and Compensation Tribunal, the Asbestos Compensation Tribunal, Anti-Discrimination Tribunal and the Health Practitioners Tribunal.

Ms COURTNEY - That is not under my responsibility. Perhaps Dale would be able to provide some more detail.

Mr WEBSTER - As I explained in relation to another question, this tribunal hosts these other bodies, but they actually sit with other ministers in terms of their responsibility. It is a hosting arrangement, but the actual output, the responsibility of those tribunals, is the other ministers'.

CHAIR - The committee will follow that up in another arena. It becomes quite confusing when we have questions but we've already missed them or they're somewhere else -

Ms COURTNEY - Perhaps we can be of assistance, either on notice after this or ahead of Estimates next year. We can provide that clear breakdown for the committee so there is an understanding for members where they lie.

CHAIR - Thank you. We often get told, 'That's another minister.'

Output Group 4 Regulatory and Other Services

4.1 WorkSafe Tasmania -

CHAIR - I'll now move to 4.1 WorkSafe Tasmania.

Ms SIEJKA - Minister, you said yesterday you have received the review of the regulator's report; can you confirm when the report will be made public?

Ms COURTNEY - It is still with the board, I understand. That report has not come to me yet and I have not had advice on that. There has been no commitment made on the actions of that report because it has not been received by me.

Ms SIEJKA - Is it possible to get an indication of any recommendations that might be coming forward from it in regards to inspectors or anything like that or what we can anticipate will be in that?

Ms COURTNEY - I can't pre-empt that, I'm sorry. It is not something that has come to me yet. I've not received that and I've not received specific advice on that. I expect that in due course, but I can't anticipate what it says and I can't pre-empt what the Government may or may not do.

Ms SIEJKA - Any indication on the time frame on when you expect to receive that?

Ms COURTNEY - No, I don't have a time frame, I'm afraid.

Ms SIEJKA - How many workplace inspectors were there in each year from 2014 to this year?

Ms COURTNEY - I was very pleased that in this Budget we were able to provide for an increase in WorkSafe inspectors. The Budget includes an additional investment to employ up to five additional inspectors. We know that they play a crucial role in ensuring that workplaces comply with their workplace health and safety duties and ensure that Tasmanians are able to return home safely. Funding of \$600 000 has been committed and this will allow WorkSafe to increase the size of its inspectorate to meet the unprecedented levels of capital investment by business and government around the state that is expected in the foreseeable future. I might pass to my right to outline the numbers.

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Mr WEBSTER - In 2018-19 we had 40; in 2017-18, there were 39; in 2016-17, there were 39; and in 2015-16, there were 39 - a slight increase.

Ms SIEJKA - As a result of having to fund part of the cost of the new inspectors from operational funding, how was that funded? What had to be cut from the Budget? What won't be delivered in order to fund the increased number of inspectors?

Ms COURTNEY - This isn't about cutting other services, but I'll get the deputy secretary to provide more information on that.

Mr WEBSTER - The nominal insurer fund, from time to time, will declare an excess and that is then transferred to the minister for workplace health and safety within the department. The minister can then determine how that is expended within certain rules. One of the things it can be spent on is enhancing workplace health and safety, so it is in fact part of that excess fund that will be used and reprioritised.

Ms SIEJKA - So there were no services cut? It was from the excess?

Mr WEBSTER - No services need to change. It's money that's sitting in a special deposit account that we have decided should be spent on this because this is an essential workplace health and safety activity.

Ms SIEJKA - Can you provide the committee with the correspondence sent to the WorkCover Board detailing matters you have requested they review.

Ms COURTNEY - Thank you for the question. As outlined, obviously you were committed at another committee at the time, those are not provided. They were not provided at the other committee. I understand that three have been referred. One relates the legislation that just went through the lower House with regards to step-down provisions; another is with regards to PTSD and the final one related to aged workers.

Ms SIEJKA - The aged workers would be people continuing to work past age 65?

Ms COURTNEY - Correct, yes.

Mr ARMSTRONG - Being from a rural area, I am particularly interested in the farm safety accidents with quad bikes. Can you just elaborate on the initiatives to improve safety et cetera? I know it drew a lot of interest from the farming sector.

Ms COURTNEY - Yes, I really appreciate this question. This is an initiative I am really proud of, particularly when I was Primary Industries minister. But I have an understanding of the impact of quad bikes on families and on communities. When there are accidents, it is really devastating. I think a lot of Tasmanians have been impacted directly or indirectly by a quad bike injury or death. So, this year's Budget delivers on increasing safety. This Budget will deliver \$700 000 in a package of measures to improve quad bike safety, which includes a 12-month rebate scheme for the fitting of an approved rollover and crush protection device to quad bikes on farms. With that we will work with Farm Safe and with the TFGA to make sure that we are providing the information to farmers and the know-how to be able to install those on their bikes appropriately.

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We are also ensuring there is a campaign to build awareness, We have the rebate scheme so that is going to allow farmers to claim up to 50 per cent of the purchase price, up to a maximum of \$500, for an approved rollover or crush protection device up to \$1000 for each eligible farm. This will encourage families and encourage farmers to prioritise safety.

We will also build a safety campaign for awareness, particularly on the safe use for children on quad bikes. Children are at particular risk around general use quad bikes, with nearly one in five fatal accidents on quad bikes involving children under the age of 16. Building awareness is absolutely critical. I send a very strong message that children under six should not be on quad bikes and children who are under 16 need to be on an age-appropriate right-size quad bike that they can handle. Obviously, they should also be wearing a helmet, which is a really big part of safety campaign.

We have a helmet here. The reason that I wanted to show this is because there are helmets that are specifically made for quad bike use. One of the challenges or perceived issues on a lot of farms is that when you put on a helmet you cannot hear. Often you are working with other people. These are specifically made so that you can hear what everyone else is doing. That is one of the challenges. There is a range and they are quite lightweight, so they are able to be worn all day out and about on the farm. We are encouraging helmet use; we are encouraging the knowledge about children not on quad bikes. We are also developing a code of practice under the Tasmanian consumer legislation in relation to the sale of quad bikes in Tasmania. This will ensure the key safety messages particularly on helmets, rollover protection and kids off quad bikes are made directly available to consumers at the point of purchase to better inform decision-making and ensure the owners of quad bikes are aware of their obligations for safe use of these vehicles. There is also a body of work nationally with Australian Competition and Consumer Commission I am participating in with other ministers on implementing or potentially developing a safety rating for quad bikes and minimum standards. I cannot pre-empt what is going to happen, the body of work is ongoing. Due to the collaborative nature, I cannot give a definitive time line. At a state level we are implementing rollover protection, an education campaign and the code of practice. I might table the details about the rebate scheme.

CHAIR - We will share them between members.

Ms COURTNEY - This will be open from 1 July. A number of members here have rural constituencies and I encourage people to highlight the dangers of quad bikes as they are one of the leading causes of fatalities on farms across Australia. Increasing awareness of the dangers, making sure people are using them safely and there is awareness about the real dangers of kids on quad bikes. It is critical because we do not want to continue to see accidents and fatalities.

CHAIR - Anyone under the age of six.

Ms COURTNEY - Should not be on a quad bike.

CHAIR - Should not or cannot? What is the defining area there?

Ms COURTNEY - We are working with the TFGA and a number of stakeholders and do not want to pre-empt the work around quad bike safety ratings in particular and minimum standards. We have an awareness campaign. That will come with the code of practice to ensure at point of sale those messages are sent clearly so everyone when they buy a quad bike. We have funded a safety campaign and want to make sure people are aware of the dangers.

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CHAIR - At this time it is not illegal to ride a quad bike under the age of six on a private property with the appropriate helmet?

Ms COURTNEY - No, it is not, but I would send a strong message that it is dangerous and not condoned by the Government.

Mr DEAN - This will be legislated obviously.

Ms COURTNEY - No. At the moment we have the \$500 000 for the rebate for the rollover safety protection. People can purchase from now but the rebate scheme will start from the first of next month. There is \$200 000 for an education campaign being scoped to be ready to be rolled out. The development of the code of practice is underway. It is done in collaboration with the chamber of commerce a process to go on. I am more than happy for those on my right to discuss the code of practice in more detail. This needs to be tabled in Parliament. With work the ACCC is doing, I cannot pre-empt whether that will have any legislative impact. There is work around minimum standards and potentially star ratings. Depending on the outcomes, will be how that is enacted in the state.

Mr DEAN - It looks like I'm going to have to get you to tell my grandson and granddaughter, who are aged three and four-and-a-half, that they can no longer ride their quad bike. My question here is: on all new sales of quad bikes in this state, will it be required that they must sell them with all the safety mechanism on them?

Ms COURTNEY - No, with the code of practice they will need to sell them with the safety information, but the safety aspects such as physical things like a roll bar or other counterweight devices are the work the ACCC and the ministers around Australia are working on so we can have a nationally consistent response. If we have one state that moves differently, there can be significant implications for business so this is where we want a nationally consistent response. The work has taken some time and I am very keen for that work to conclude so that we can go forward with that.

Mr DEAN - How long is it likely to take to put into place? As it's national, it's going to be two or three years away. Is that where we are at?

Ms COURTNEY - I might get those on my right to expand on that. We can learn from other countries in what they do about quad bike safety and these are some of the learnings that the ministers are looking at in Australia. While I can't pre-empt what we will come up with, I am very hopeful that we can get this work finalised as soon as possible because it is important. Having a nationally consistent response is important. It sends a clear safety message to people in our community, whether you are using a quad bike for recreation or work, that the dangers are still there. I am not sure whether there is anything further to add.

Mr WEBSTER - The work for the ACCC is quite well advanced; it is out for public consultation now. The report back is this year, in a few weeks time. The next step is imminent. We are not starting now and therefore it will take two to three years; we're already a couple of years into the process.

Mr DEAN - An issue has been raised with me. This relates to quad bikes only. Young people under six years of age - and I can use my grandchildren as a good example here - have also got two-wheeled motorbikes that they ride around - one is three and one is nearly five or something.

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These changes are not likely to impact those and I ask, why not? I see those bikes being just as dangerous really. Is that the position, that it will be purely for quad bikes?

Ms COURTNEY - There are a lot of dangers on farms and rural properties; there are risks from other activities as well, whether it's horseriding or other activities, there are dangers without minimising it, but we know there are significant deaths and serious injuries on quad bikes so it has been highlighted as an area of particular concern. This is why we are doing it and the measures that we have announced and the work that we are doing federally is just for quad bikes.

Ms HOWLETT - Minister, cracker night is an annual tradition for so any families across Tasmania, one in which I particularly love to throw a Tom Thumb now and then at the fire. Can you give an update on the Government's fireworks reforms and how have they been tracking?

Ms COURTNEY - I'd be happy to provide further advice post-committee on safe use of fireworks, but in response to safety and amenity concerns arising from the use of fireworks in 2015, the Hodgman Liberal Government committed to a review of our fireworks laws. As part of this review, a comprehensive review and consultation process was conducted by WorkSafe Tasmania, which provided the opportunity for stakeholders and the broader community to voice their opinions on the use of fireworks in Tasmania. As a result, a new framework was developed to ensure the safe use and protection of domestic animals and wildlife, the environment amenity, while still allowing the community the enjoyment of fireworks displays.

Specifically, the new framework modified the administration of type 2 fireworks under the Explosive Regulations 2012, which commenced on 1 March 2018. The key change meant that members of the general public continued to be able to access type 2 fireworks for use on cracker night, but there are tighter restrictions on the purchase and use of fireworks on other times and other days of the year.

To ensure greater public awareness, there are enhanced notification requirements for permit holders, and WorkSafe Tasmania continues to publish a comprehensive list of fireworks display permits that have been issued, and also provide listings in the major Tasmanian papers regarding fireworks displays for cracker night. These changes have been well received by the community and are regarded as providing a balanced approach in protecting people, animals, the environment, as well as enabling Tasmanians to enjoy cracker night. So, with these changes I think we have the balance right.

Mr ARMSTRONG - Many years ago MRT used to put on a community cracker night at Kingston.

CHAIR - Okay. So, the question is: is the minister looking to put on a public cracker night?

Ms COURTNEY - I have no plans at this stage, but you never want to pre-empt the future.

Mr DEAN - The work in the northern office has always been very has always been fairly solid. Have numbers increased in that office? Where are we at? Are we really having much inroads into workplace safety? If you refer to page 159, note number 2, it says that Safe Work Australia has put forward a target that workplace injuries will be cut by 30 per cent by 2022. Are we moving forward in that way? Are we likely to assist the national target?

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Ms COURTNEY - I think it's really important to have targets in workplace safety. To be honest, the target you want is zero incidents. That's what your ultimate goal is; you want everyone to return home safe.

In terms of participation in the north of the state, the number of inspectors has been static over the last four years, noting the fact that we have provided for more inspectors. I might perhaps pass to Mr Webster for more detail about resourcing and whether there is any plan for where future new staff where may be located.

Mr WEBSTER - There will be an additional five staff. There will be an increase of one FTE in the north, one in the north-west, and three in the south. So, they're spread across the state. And, as the minister said, the Launceston office has been steady in the number of inspectors over the last four years.

Mr DEAN - If we're looking at incidents around the state, where are most of these incidents occurring? And are there other specific locations of where they're occurring as well?

Ms COURTNEY - I'll ask Mr Cocker to provide some more detail on that.

Mr COCKER - Thank you, minister. For the 2018-19 financial year WorkSafe Tasmania has received over 8663 referrals for both complaints combining both incidents and complaints into the broader term of referrals.

Mr DEAN - In what time?

Mr COCKER - Since July last year.

Mr DEAN - Over 8000?

Mr COCKER - Many of those were fairly straightforward issue-resolution type matters. Of that number we had close to 800 incidents and complaints that required investigation, spread across multiple areas and sectors. Depending on the nature of the incident, nature of the work, it could be a northern regional issue or north-west regional issue. The majority of matters are dealt with in the southern region, closely followed by the northern region.

Mr DEAN - Is it in the building and construction area or mining areas? Can we have the areas where we are more likely to see work safety issues arising?

Mr COCKER - Of those matters, 29 per cent fell within the building and construction industry division, moving through health care and social assistance, manufacturing, agriculture and forestry, retail trade, public administration and safety, transport, postal and warehousing, and the list goes on. Primarily it's in building and construction.

Ms SIEJKA - Apologies for jumping back to something we covered a little earlier, the increase in inspectors. I appreciate that they're coming from the excess of the money you've got at the moment. I am wondering about the out-years and the efficiency that has to be caught up, so is there money in the out-years to cover for those inspectors as well?

Mr WEBSTER - Yes, there's sufficient funding in that fund to fund them over a five-year period.

CHAIR - Thank you.

4.4 Consumer, building and occupational services -

Ms COURTNEY - I'll ask Andrew Goldsworthy to join us. He is the Acting Executive Director of Consumer, Building and Occupational Services.

Ms ARMITAGE - The minister is aware, as is Mr Webster, of many concerns I have had raised with me right across the state - lately I've had questions from the south as well - with regard to the Building Act, which has now been in for a number of years. I'll start with one of the simpler questions. Are you able to provide statistics on the increase of unauthorised work since the new Building Act has come in?

Mr WEBSTER - Consumer, Building and Occupational Services has not had an increase in the number of inquiries or complaints regarding unauthorised work since the introduction of the Building Act in 2016. Legal or unauthorised building work is first administered by local councils and complaints would normally be directed to them. Council permit authorities are responsible for issuing permits for high-risk work. They check the permit applications for completeness and compliance with the Building Act and receive fees. For notifiable work the permit authority files documentation they receive from building surveyors. The permit authorities have also strong compliance powers where unsafe or dilapidated buildings are identified in their municipality or if illegal work has occurred, and the new Building Act enhanced those powers of local government.

There are licensing requirements for permit authorities. To obtain that licence they have a minimum qualification of Certificate 4 in Compliance. CBOS has supported the permit authorities within local councils through a permit authority engagement program. The Building Act 2016, as you know, commenced on 1 January. Its key feature is a risk-based approach to work approvals in which costs and steps in approval process are proportionate to a project's risk level. The new act replaced the Building Act 2000, which had been in force since 2004. Under the former act, nearly all work required a building permit with some limitations. This one size fits all.

I emphasise that the low-risk work under the new act is in fact very similar to the exempt work under the old act, so the same categories of work still don't get reported. The new risk-based approach, however, allows for this intermediary step, which is called notification, which allows the building surveyor to be the key authority in approving or not approving a piece of work, rather than the local government.

Ms WEBB - Would you agree that there is a degree of confusion in the community about what you can do without going to your local council? I know at one stage there were radio advertisements that were a little confusing saying that you can do this work, you do not have to go to a council. I notice they were taken off after a short while. My understanding is that a lot of people think they can put something up and they really can't. They believe that now they are allowed to do a lot of small work, take out walls within their house, do all sorts of things without actually going to their council. Would you agree there is more concern now than there was before?

Mr WEBSTER - I disagree with that. The reason I would disagree - sorry, through you minister.

Ms COURTNEY - Happy to have your answer.

Mr WEBSTER - The reason I would disagree is that, as members would be aware, we did an enormous amount of consultation in the lead up to changing the legislation. I can tell you that in the period from 2013 to 2015 when we were developing the concepts and the legislation, the then ministers and I who talked to industry found that industry was being told continually about the level of interference from government and the need to go to a risk-based approach.

I did not attend a meeting through that two years where I wasn't given negative feedback about our approach from all players in the sector. At the moment there is still some discontent but it is a smaller number of people.

Ms WEBB - I think they are all coming to me.

Mr WEBSTER - In terms of whether there is confusion around the categories, there is no more than there was previously. We had an exemption category. There was some work that you did not need to get a permit for.

If you surveyed the members of the public whether they knew there were exemptions; they probably didn't. Do they know there is low-risk work? They probably don't. People switch on to what they need to do under the Building Act when they have to do it. In the last couple of years people have been complaining to me about illegal work. They complain and say that there was this house here or this property there. I look at it and find it was illegal work under the previous legislation not the current legislation.

Ms COURTNEY - We encourage people who are undertaking work to contact their local council and seek advice.

Ms WEBB - Through you, minister, can you tell me how many builders have been audited with regard to the building works for category 1 and category 2 and the compliance with this work under the Building Act?

Mr GOLDSWORTHY - Through you minister. There is currently an audit being undertaken of the building surveyors. It is a current audit so we have not completed it. It is in an information-gathering stage at the moment, which will then proceed to a stage to audit the work against the physical installations. Let me see if I have the numbers.

Ms WEBB - Did you say building surveyors?

Mr GOLDSWORTHY - Yes.

Mr WEBSTER - Through the minister, if I can just add to that. Remember that category 1 and category 2 work is low-risk work that can be either done by the owner if it is category 1 or done by a builder if it is category 2. Our checks of builders include looking at whether they are they doing category 2 work. Category 1 work is not reported anywhere so we would not be checking category 1. It is exempt work. It is putting up a pergola, putting up a 3 x 3 shed.

Ms WEBB - If a concern is raised by a new owner?

Mr WEBSTER - If a concern is raised through the Certificate 337 process with council, council might have a look at it. It may be through a complaint. I emphasise that we have had no

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increase in complaints. As I said, we have defined what is legal work. People will still do illegal work. As I said, in introducing this legislation, a lot of the illegal work identified to us predated the legislation.

Ms COURTNEY - Another thing I might add, many of the other states are looking to us for the risk-based approach we have. Many of the other states are looking to us to learn from what we are doing and replicate the types of reforms we have had. In many ways we are actually leading the nation. Our approach has been further supported by the Shergold Weir Report.

Ms ARMITAGE - Do we have any statistics on penalties handed to practitioners since the inception of this building act?

Mr WEBSTER - There have been 424 infringements issued and the value of those infringements is \$327 953.75. There have been nine prosecutions. We have gone beyond the infringement and taken them to court.

Ms ARMITAGE - With the Shergold Weir Report, it would be pertinent to make a comment. Feedback received on the Building Act has related to the role and function of private building surveyors. Private building surveyors have a direct commercial relationship with designers, owners and builders. They necessarily depend upon their clients for financial viability which has a high risk of creating a conflict of interest and possibly resulting in the compromise of safety or the decline of compliance standards.

Is anything being done to address this? Are there any informal measures being taken by the department and its agencies to mitigate possible conflicts of interest?

Should there be legislative change to address this? In the independently produced building confidence report undertaken by Professor Peter Shergold and Ms Bronwyn Weir, it is suggested to address this issue, overseeing jurisdictions established minimum statutory controls to mitigate conflicts of interests and increase transparency of the engagement and responsibility of private building surveyors. I am assuming you are aware of the report because you have quoted it yourself.

Is there a place for greater control intervention tools to be provided to regulators and, if so, is it being considered or implemented?

I have a copy of the report should you want to look at it.

Ms COURTNEY - I will make some overarching comments on the report, then I will hand to the Deputy Secretary.

We have a strong performance in ensuring we have a modern and responsive approach to building in Tasmania and that has been vindicated by the Shergold Weir Report, presented in 2018. The result is an endorsement of our nation-leading building reforms which introduce the risk-based approach to building approvals to ensure the level of regulatory oversight for building work matches the risk to public health and safety.

The report recommendations made by the independent experts into the effectiveness of the building and construction industry compliance and enforcement systems across Australia, confirms Tasmania is leading Australia in building reform and is in line with the recommended national best practice model.

The BMF ministers have held a number of industry forums with peak industry groups and professional associations to discuss the report and use this in the implementation of industry feedback.

The implementation plan report released in March continues to lead jurisdictions in carrying out the recommendations. We are well ahead in the implementation compared to other jurisdictions.

Ms ARMITAGE - The question regarding possible conflicts of interest?

Mr WEBSTER - The building reforms put in place in 2017 include a provision that addresses this very issue. In line with the recommendation in the Shergold Weir Report, we have already enacted the provision that said you must be engaged by the owner and must not have a conflict of interest.

Building surveyors are under the Occupational Licensing Act and the Administrator of Occupational Licensing can issue a code of conduct. In consultation with the Australian Institute of Building Surveyors, the administrator - one of the roles held by the Executive Director of CBOS - has issued a code of practice which goes to explaining conflicts of interests, explaining their role as a statutory building surveyor and not captive of the builder. Then, we've issued it as a statutory document to back that up. Consumer, Building and Occupational Services - CBOS - is going through a process now of auditing the building surveyors against the code of practice to say, 'Are you fulfilling your role as a statutory building surveyor, rather than as a captive of the builder, in the way that you think?'

Mr ARMSTRONG - This is quite ironic a because I just got a message from Motors to say my car has to have an airbag replaced. It's constantly in news and I was wondering if you could give us an update on where the Takata airbags issue is at?

Ms COURTNEY - The recall, as members would likely be aware, of Takata airbags has occurred. It's a serious safety issue for Tasmanians. We have been nation-leading in providing the community with a response around the dangers of Takata airbags. We were the first state or territory to act on the ACCC advice that vehicles fitted with the highly dangerous Alpha airbags should not be driven.

In 2018, the Registrar of Motor Vehicles determined that vehicles fitted with Alpha and critical Beta airbags were no longer eligible for registration. As a result, suspension notices were sent to registered operators who had not had their vehicles' Alpha airbags replaced. This has been very successful with only five vehicles with Alpha airbags still registered. We are confident those remaining will be off our roads in the near future, making Tasmania Takata Alpha-free. We are well on track to have affected airbags replaced by the end of 2020 in accordance with the compulsory recall notice to all affected airbags rectified.

These airbags have been the subject of a worldwide recall, when it was realised there was a 50 per cent chance they could mis-deploy, even when a vehicle was in a minor crash, resulting in pieces of metal exploding into the faces of drivers, with serious or fatal consequences

While the majority of people who owned cars with the recalled Takata airbags have acted quickly to have them replaced, a small number of Tasmanians have failed to respond to warnings and suspension notices have been issued by transport safety investigation officers. This is decisive

action. We want to ensure Tasmanians are safe, both people in the car and also in the broader community.

This is an exploded Takata airbag. I won't show which car it was from, because they probably wouldn't like that brand endorsement.

Ms SIEJKA - My question's around the First Home Owner Grant. I wondered about how the terminology seemed to have changed to First Home Builder Boost. Do the same governance terms, conditions and so on go along with that now? Have there been any budgetary issues in changing the name?

Ms COURTNEY - While this initiative will support the building and construction industry by continuing the nation-leading figures we have for approvals and completions, it's administered by the Treasurer through his portfolio. You have to direct your question to the Treasurer who administers with the regards to the details about eligibility and the grant.

Ms ARMITAGE - What action is the Government taking to deal with the noncompliant cladding within the state?

Ms COURTNEY - We have taken clear action to ensure that noncompliant aluminium composite panel cladding is not used on Tasmanian buildings. Utilising the powers built in to the 2016 building reforms regulatory action has been undertaken to prevent any further use of hazardous and combustible ACPs in Tasmanian by requiring state-based accreditation and conditions on the use of cladding.

The adoption new regulations restricted the use of ACP with a flammable polyethylene core in Tasmania commenced on the 27 December 2017. The Tasmanian builder regulator and the Director of Building Control worked with the Tasmanian construction industry throughout late 2017 to identify and audit buildings with a high risk noncompliant ACP cladding.

Of the 43 buildings identified for assessment, LGH was the only building found to have had noncompliant cladding installed that required medium- to low-term rectification works. Work commenced immediately to ensure the building was safe for continued use and now mostly complete and expected to be finalised in the very near future.

The risk posed by cladding on all other identified buildings has been assessed by an independent fire safety expert as not increasing the fire safety risk to occupants. The Director of Building Control is working closely with industry to ensure there is industry-wide awareness of the new regulatory requirements, including improving standard documentation for commercial building works and delivering training for building surveyors, architects and building designers.

Through these measures we are ensuring that the future use of cladding products in Tasmania meets the appropriate safety standards.

Ms ARMITAGE - Further feedback received with regard to the new building relates to the complication of categories of building work and the descriptions of low-risk work. More specifically, the availability of explanatory or guide material is difficult to find or follow for both members of the public and those in the industry. Has CBOS received similar feedback?

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Mr WEBSTER - We have and taken efforts to simplify and put out pamphlets. We redesigned our website in early 2018 to address those issues. We were aware of it early, then spent a significant amount of time and effort in redesigning our website so information could be more readily found. In addition, through our industry partners, associations, institutes and so on, we are providing ongoing training to make sure they are clear about that.

Ms ARMITAGE - Referring to table 6.2, the Budget indicates an increase in consumer building and occupational services in 2019-20, the footnote states this increase is related to the Small Business Regulatory Reform Agenda and a significant portion of this funding will be purchases of non-financial assets. Exactly what sort of assets will be purchased with this increase of funding?

Ms COURTNEY - The Planning and Building Portal project will deliver a single access point for industry, property owners and councils to manage planning and building applications across the state. An exciting initiative. This portal will include extended planning information and mapping services to provide online access to information and regulatory requirements relating to planning, building and referral authorities. This will build on the work done by iPlan and expanded online inquiries will allow developers to enter details with regards to proposed use or development and obtain information on the planning and building requirements under the Building Act and other associated legislation administered by referral authorities such as the Heritage Council, the EPA and TasWater.

It will allow for online applications for owners and agents to lodge planning applications and associate documents and the lodgement of building forms, including permit applications and forms associated with notifiable building and plumbing work. There will be automated application referrals that will allow applications to be referred to other approving bodies such as the Heritage Council, the EPA and TasWater. Referral authorities will be able to view documents via the portal, send notifications to the planning and permit authorities to monitor their application process as appropriate. An online tracking service will allow applicants to view and track applications from lodgement to completion.

Tender was released on 20 April this year and it is expected a vendor will be engaged to commence stage 1 by September 2019. The Tasmanian representative of the Institute of Architects looked at the release of this tender and it has been welcomed by participants from across industry. It will effectively be a one stop shop for different planning aspects such as heritage and EPA.

We are all time-poor and you can lodge documents online in your own time and keep track of them. With big or small projects, you know where things are up to. This will streamline processes and cut red tape. It is a really exciting project.

Ms ARMITAGE - Is there any consideration that form 80, notification to council being required for all building work, was required to be filled out to simplify potential compliance enforcement? Council could hold accurate property records for future purchases and if the submission of form 80 was mandated with a basic site plan and photo of the completed building, it would obviously help, particularly with new purchases. Perhaps a form 80 could then be included with a 337 certificate completed at the time of purchase.

That was one of the issues raised. Someone buying a property where work is being completed by an owner-builder have recourse to insurance because the homeowner's insurance or the home builder's insurance is now no longer in place. Is that correct with new act? If someone were to

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purchase something when something has been taken out and changed, they would consider it is low risk under the new act. At least if a form 80 had been completed with the council, there is something to show some work has been done. Could you give me your thoughts on that?

Mr WEBSTER - It is the first time it has ever been raised with me and one we should think about. This type of work which, as I said, I used to call 'exempt work' has never been subject to this notification.

Ms ARMITAGE - Some of the other work that now is exempt was previously.

Mr WEBSTER - I think it is something we should think about.

Ms ARMITAGE - You will look at it if I ask this question again next year, maybe something would have been done.

Mr WEBSTER - We will refer it to the future director of building control.

Ms ARMITAGE - The other issue I have raised was to do with councils and the fact that people resort to seeking advice from sources that are not authoritative and end up contacting councils. Councils are then placed in a position where their resources are being used to provide advice without any reimbursement. Their staff are being called on for advice. It is not something that has to go through council, so they are not getting any money back for the time that has been put out. .

Mr WEBSTER - As I said, you are right. We strongly recommend, wearing our consumer protection hat, that prior to purchasing of a house, you get a full building inspection done. We encourage that in every circumstance; 337 is a second catch-all. We encourage people to always get a 337. If you are not getting your advice from council, you should get your advice on the regulatory framework from a qualified building surveyor.

Mr DEAN - These questions were sent in to all of us but I happened to ask them. We all got this. They relate to the Rental Deposit Authority. How much money is currently held by the Rental Deposit Authority?

Ms COURTNEY - As at the 30 April 2019, it was \$47 842 409.91.

Mr DEAN - My second question is: what is the variation of income over the last two financial years?

Ms COURTNEY - Income from the interest or income as the number of bonds lodged?

Mr DEAN - For both interest and from rental properties.

Ms COURTNEY - The income from the trust account in 2018-19 - that is year-to-date to 30 April - is \$581 452; in the corresponding period in 2017-18, it was \$780 812.

Mr DEAN - What is the total income from bonds held by the RDA?

Ms COURTNEY - That is the income from the bond trust account.

UNCORRECTED PROOF ISSUE

Mr DEAN - Where is the bond money held? What has the interest rate on these bonds been for the past two financial years? You have partly covered that.

Ms COURTNEY - The interest rate for the trust account from October to December 2018, was 2.15 per cent; from July to September 2018, it was 2.11 per cent; from January to June 2018, it was 1.68 per cent; and from July to December 2017, it was 1.64 per cent.

Mr DEAN - What is the cost of running the authority annually?

Ms COURTNEY - The total budget in terms of the current financial year is \$1 174 675.

Mr DEAN - I take it these questions were not asked the other day? If they were, it is a waste of time.

Ms COURTNEY - No.

Mr DEAN - What is the cost for the new RDA data system, MyBond?

Ms COURTNEY - It was \$869 000.

Mr DEAN - How many rental bonds are held in total by the RDA?

Ms COURTNEY - The number of active bonds held as at 30 April 2019 was 45 519, and in the corresponding year prior to the 30 April 2018, it was 45 358.

Mr DEAN - How many bonds are from tenants renting from Community Housing providers and what is the total amount from Community Housing tenants?

Ms COURTNEY - We do not have that data.

Mr DEAN - Can you get it or not?

Ms COURTNEY - I do not think it is broken down that way.

Mr DEAN - You cannot obtain it? Right. How many bonds are from tenants in private rental arrangements and what is the total amount in private rental tenants?

Ms COURTNEY - We do not have it broken down that way.

Mr DEAN - You do not keep that at all? Of the bonds in private rental arrangements, what percentage are agent-managed properties and what percentage are directly managed by private owners?

Ms COURTNEY - The percentage of the bonds managed by agencies is 85 per cent.

Mr DEAN - Thank you.

CHAIR - I have a question in regard to the Working with Vulnerable People applicants.

Ms COURTNEY - That does not fall under my responsibility, it is under the Attorney.

CHAIR - Okay. It is in this output group.

Ms COURTNEY - I know, that responsibility is under the Attorney.

CHAIR - Thank you. We missed that one yesterday and thought we would get it today. That is fine. Minister, that is the end of our questions in regard to your areas of responsibility. On behalf of our committee, I thank you very much for your time and particularly acknowledge the work done by your departments and people who assist you put into this process. It is no mean feat to provide the information to undertake your role as minister for these important areas, and we thank you.

I would like to acknowledge Lynne from Hansard who has been with us for the last four days and our excellent secretary, Natasha Exel; we also have Ali, who helps us. We certainly appreciate that they look after us as well.

Ms COURTNEY - Thank you, Madam Chair. We enjoy the scrutiny of these committees. It is a good opportunity to be able to provide more detail in a range of policy areas of interest to different members. We appreciate the constructive nature and thank particularly the people who ensure these committees happen. My very big thanks to all departmental staff who provide support in the lead-up to and during this week because it is a volume of work, and I am very appreciative of the efforts put in. Thank you.

CHAIR - I want to acknowledge the work of the members of Committee B, they do an excellent job and I am very proud to be their chair - thank you.

The committee adjourned at 12.58 p.m.