

ISSUE 1904

"In Support of Progress" Newsletter

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Festival Fatigue?

Summer is festival season in Tasmania. It seems that every weekend there is something to celebrate and revel in. Last weekend three separate special festivals were held. The Scots did their "fling" in Richmond, the French did "Le Weekend" in Cygnet, and the Italians "threw" the flag in North Hobart.

Unfortunately, it was all too much for the local paper, which covered none of them. Now the Greeks are threatening to do the Zorba at their "Estia" festival on March 3, and the Taste of the Huon is scheduled for the following weekend. Perhaps by then we will all have got our mojo back.

In the meantime, congratulations to all the organisers, and more strength to the festival goers. It really has become a "lifestyle" thing.

Tasmania, the Festival Isle?

Fire and Flood

We have gone through yet another devastating fire season - and we are being told it is not over yet. No doubt, in the aftermath, the fire service will review its approach to these fires and consider improvements in its responses.

Obviously, it has been a very expensive exercise, and it is still to be determined how effective and appropriate certain approaches have been.

Recently a comment was made on radio from a fire fighter on the Central Plateau that a request for permission to move machinery into the World Heritage Area (WHA) to fight a blaze was denied, and thus allowed a then manageable fire (of some 50 hectares) to become a conflagration that took out 50,000 hectares.

Questions asked of the fire service as to why permission was denied remain unanswered. The answer may indeed be reasonable, but the lack of enthusiasm to respond immediately leaves open the door for speculation. And, frankly, any answer now is way too late to be believable.

I raised this matter previously (see #1901), regarding setting a policy for fighting fires in the World Heritage area. This matter needs to be addressed, because a very serious problem occurs, not just within the WHA, but when fire escapes from the WHA and burns out other property, both State and private.

Meanwhile, while our concentration is focused on the fire season, how are the levees going at Latrobe and Huonville to mitigate any flooding? I will guarantee nothing has been done. Sorry, planning maybe (we are so good at planning), but nothing actually done.

Forests

The fires burnt through a range of forest types, from button grass plains to rainforest. Over 220,000 hectares were impacted, and some of that was forested country. So, how much forest was lost to these fires?

In all, some 80,000 hectares at last count. The following table tells the story. Obviously, these figures are preliminary, but they do suggest the effect was "manageable". Data is in hectares burnt.

Forest type	State owned	Private	
		Company	Other
Forest	40,000 (approx.)	4,248	31,395
Hardwood plantation	No info	2,749	408
Softwood plantation	No info	533	No info

Of the 40,000 hectares of public forest affected, 27,500 hectares were in the southern forests. Sustainable Timber Tasmania manages some 800,000 hectares of public forest land in Tasmania, and has stated that the fire will not affect supply, due to the rescheduling of harvest plans.

However, the biggest effect will be on forest infrastructure. Both the Ta Ann veneer mill and the Neville Smith sawmill at Southwood, both significant employers of local labour, are now out of action, and that will certainly impact on the Geeveston and the broader Huon community.

For the rest of the industry, it could well be business as normal.

Football

The government spends a lot of our money propping up Australian Rules Football. Sponsorship of two Melbourne-based football clubs to play a certain number of games in the state has obviously been of benefit to the AFL, and the government's direct payment of \$500k per year to AFL Tasmania (the 100% owned subsidiary of the AFL), saves the AFL even more.

There is obviously an emotional commitment within the community to having our own AFL side, and thus the reason for such expenditure. We want to be "in the game". As far as the AFL is concerned, mouth the platitudes and take the money.

History shows that their primary concern is to attract talented players into the existing AFL competition, nothing more. Promoting the game, supporting the local competitions, fostering junior engagement? The care factor for the "good of the game" has been zero. Token gestures only to assuage the concerns while the game continues to lose its grip. And clubs continue to fade away.

The government has now established a board to advise it about the state of the game. A broadly-based committee covering most aspects of the game. In my view it is the equivalent of an audit committee, and should be reporting back to the government as to the effectiveness of its spend on the AFL in promoting the game at the junior and club levels.

It certainly shouldn't have the AFL on that advisory board. That is simply self-defeating.

When is a fact not a fact?

The Bureau of Meteorology has just completed a second adjustment of its historic temperature records, with the end result being that the past has now been determined as being colder than when it was first recorded. In other words, according to the “new” data, warming is occurring faster.

The Bureau has said it did so to allow for a “homogenization” of its dataset. What the Bureau has really done is that it has left itself open to criticism. Critics of the Bureau say the action has been driven by a desire to create a greater “warming” effect over time, and has little if anything to do with science.

In other words, let not facts get in the way of a good story. If the facts don't fit the story, change the facts.

Managing Projects

You want to build something. It is a project. You engage an architect to put your views onto paper and the architect comes up with a plan.

You now need a builder. Typically, you would either engage the architect, or if the project is complex, a project manager – (i.e. someone to watch over your interest) to find the builder for you, by tender or some other process. The builder (or principal contractor) would (or may) advise as to which subcontractors would be engaged to do specialty work (e.g. plumbing, electrical etc.).

How about an organization that has more than one project on the go at the one time? The government is one such beast.

In Tasmanian government circles, there are four such entities: TasNetworks, Hydro Tasmania (some \$100m pa) TasWater (some \$150m pa), and the government itself (it says it has over \$2.9 billion worth of work on its books).

A quick analysis of each entity highlights a significant problem

TasNetworks has its pricing set by the Energy Regulator, who takes into account money allocated each year for capital works. The problem for TasNetworks is that it chronically underspends its allocation. It has in fact become such a serious matter that the Regulator now must decide what to do about pricing policy, as TasNetworks has essentially been overcharging. Cabinet is aware of this fact, but doesn't want this fact to be more widely known.

Hydro Tasmania has an annual allocation for capital works but again cannot spend its allocation. It has reached the stage where plant is being taken off line because the capital works required to keep it operational cannot be met.

TasWater has a range of projects which have been adequately designed but which cannot be moved to the “TO DO” stage for lack of internal expertise. In desperation, TasWater tendered out the management of its works program, which was eventually awarded to CIMIC (a German firm which bought out Leightons, the owner of John Holland). CIMIC has reviewed the talent with the organization, but is now seeking interest from potential local contractors and subcontractors to assist it meet its tender “obligations”.

The government also has a range of works ready to go, but is now suffering a backlog because of delays in getting projects from the planning stage to the doing stage.

Why is this so? What has happened to our ability to “do” things?

First, government has become totally risk averse. It will take no risk. We can plan until the cows come home, but we cannot translate it into action. All risk is now on the contractor. And that means wearing the risk of government changing guidelines and timelines with impunity (because it has no skin in the game). Government has a duty of care to contractors - government needs to have skin in the game. It will make them a far more responsible tenderer.

For local people, they are too small to wear such a risk, and for those that do bid (the bigger mainland and international consortia), they will build a huge premium into their pricing to cover such an eventuality. Either way, we lose.

Second, we have lost the skills to manage projects, and to manage programs of projects (see e.g. the TasWater example above). Not only are we lacking Project Managers, Program Managers are non-existent within the system.

We desperately need a Program Management Office, that can transfer the "planning" into "doing". Issues that need to be addressed are risk, determining priorities, organising capital, determining labour and equipment needs, understanding and engaging local capacity etc.

Third, we need to foster local expertise. There is within the community people with the necessary skills. Yet we are walking away from local skills and expertise, believing big national and international firms are the only option. They are not. These firms have no "duty of care" to the Tasmanian community, and simply play the government on a break.

I cannot over-emphasise the importance of this matter. If the government does nothing else, it must get the management of its capital works program in order.

Government can chant the mantra "Tasmania is open for business" until hell freezes over. However, without a change in policy, it's meaningless. As it stands, this government is becoming the enemy of local business – it shouldn't be this way.

The economy is in a sweet spot at the moment – it would be a damn shame if the benefits were squandered. But that is what is happening.

Hobart Airport

Hobart airport is privately owned – with the Macquarie Group owning over 50%. It now wants to sell its share, and that is all very well. What does sadden me is that - as reported – the government spent over \$38 million upgrading the airport, and the value of that expenditure will now be "privatised". A gift, no less.

Defence

Australia has just done a deal with the French to provide 12 new submarines, with the first due for completion in 2034. That is fifteen years away.

Trouble is, they haven't been designed yet. A technology and manufacture all very new and untried. Maybe it will all be OK, but history suggests there will be "glitches". In the meantime, we are left vulnerable.

So. A plea to any would-be enemy -

Please do not attack us in the meantime, because we are not ready for you.