

**ECONOMICS AND INDUSTRY
STANDING COMMITTEE**

Inquiry into Water Licensing and Services

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
TUESDAY, 15 JANUARY 2008**

SESSION TWO

Members

Mr R.C. Kucera (Chairman)
Mr G.A. Woodhams (Deputy Chairman)
Dr J.M. Edwards
Mr M.P. Murray
Mr A.J. Simpson

Hearing commenced at 11.19 am

HALL, MR DOUGLAS
Industry Development Officer, Irrigation Australia
PO Box 61,
Victoria Park 6979, examined:

The CHAIRMAN: Firstly, Doug, thanks for coming in and making yourself available and for the submission that your group put in earlier. Just a couple of formal things first: Loraine Abernethie is our chief research officer and these are our Hansard reporters who will faithfully report every word you utter, so when you answer questions could you make sure you either say yes or no or whatever your explanation is; we do not record nods.

Mr Hall: Yes.

The CHAIRMAN: Thanks. This committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the house itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as a contempt of Parliament. Have you completed the “Details of Witnesses” form?

Mr Hall: Yes.

The CHAIRMAN: Do you understand the notes at the bottom of the form?

Mr Hall: Yes.

The CHAIRMAN: Did you receive and read an information for witnesses briefing sheet -

Mr Hall: Yes.

The CHAIRMAN: - regarding giving evidence before parliamentary committees? Thank you. Do you have any questions relating to your own appearance before the committee today?

Mr Hall: No.

The CHAIRMAN: Thank you and could you please state your full name and the capacity in which you appear before the committee.

Mr Hall: Mr Doug Hall. I am the industry development officer with the WA region of Irrigation Australia.

The CHAIRMAN: Thanks, and does that take into account the entire state?

Mr Hall: Yes; my jurisdiction is all of WA.

The CHAIRMAN: Okay, and is that organisation an NGO?

Mr Hall: It is an industry organisation.

The CHAIRMAN: Okay, thanks. I understand that we have received a submission from your organisation. Do you wish to propose any formal amendments to your submission or would you prefer to address it as part of your evidence today?

Mr Hall: No, I think just as we proceed.

The CHAIRMAN: Thank you. Before we ask any questions, did you wish to make any statement in addition to the submission other than the evidence we will take today, obviously?

Mr Hall: I would like to reiterate that we welcome the opportunity that these sorts of inquiries offer for further input from the very wide base that our organisation represents.

The CHAIRMAN: Thanks for that. All right, how did you want to deal with your submission today? Did you want to deal with it in terms of the terms of reference or did you just want to speak to your submission?

Mr Hall: What has been the standard approach?

The CHAIRMAN: Whichever way you want to go; it is your evidence.

Mr Hall: I am happy to go through the terms of reference one point at a time, I guess.

The CHAIRMAN: Okay, we will refer to the terms of reference and go through that. Do you have a copy of the terms of reference in front of you? Okay, the floor is yours.

Mr Hall: With regard to the first one - the benefits, costs etc - we believe that a licensing system is just one tool or element of a modern evidence-based management system. I made the point in the submission that one problem is that historically, in Western Australia water has been free or undervalued. That has real consequences in the process of change because people are starting from a very low base in terms of expectation and what they have had to pay and deal with previously. Therefore, the change management strategy is really quite critical in how we progress this. Some people would argue that some mistakes have been made already in the way in which the licensing system has been framed. I guess it is also fair to say that because we are starting from a low base and because of the pressures on water, climate, greater knowledge of our water resources and so forth, we are having to move quite rapidly, so all stakeholders - government, community, industry - are learning what it actually means at the same time. Therefore, a fair bit of goodwill is needed. I have been involved in the state water forum since it started, initially with another organisation, and that forum has been brilliant in the way in which it has allowed all the stakeholders to come together. Even though there are often disagreements, it is fair to say that over the whole process, although people may disagree with other stakeholders' views, at least they allow understanding. I think that is very important in the general underpinning of process behind what we are seeing here.

[11.20 am]

The CHAIRMAN: The forum that you are talking about, that was responsible for the establishment of the blueprint, was it not?

Mr Hall: Yes, the blueprint and the state water plan. That is correct. I guess there is clearly a benefit from a licensing system inasmuch as it gives greater security to people in terms of what water value they can plan for. That is the case particularly for business. Government also, of course, has similar requirements for long-term planning. It also leads to a greater awareness of our water resources, because like any complex system, we do not know that much. We certainly do not know as much as we would like to know to be able to manage it well. Therefore, it is a matter of continually learning. However, as we learn more, we will have to readjust. We also sit on Minister Kobelke's law reform reference group, and we are at the moment reviewing the risk assignment framework. That has real relevance to this as well, because as the water resource changes due to climate change or due to knowledge of what the actual real water resource is rather than what we think it is, that will play into that risk assignment process, which must impinge on or affect people's licences and their expectations of compensation or otherwise.

The CHAIRMAN: Can I interrupt you there, because that is important. You are the first person who has appeared before us who has talked about that reform process in detail. The committee's understanding of the reform process that is proposed within the blueprint, and also within the NWI, is that essentially the state has a pool of water. That pool of water is divided up into smaller pools called consumptive pools. Essentially, the state water plan says that we will in the future have a statutory management plan for each of those consumptive pools, and that statutory management plan would then dictate the usage of that water by the various users within the consumptive pool. It would also dictate the allocation of water that they would be permitted to use, or their entitlement, I suppose you could call it, to a certain allocation within that pool. In turn, they would then be

granted a licence and be charged an allocation fee, and all the things that go with it. Included in that fee would be the cost of the constant measuring and monitoring of that pool. Is that a fair summary?

Mr Hall: Probably, and that is a very specific point that we have made in a number of reference points in our submission. I think part of the problem is that there has been a bit of muddying of the waters, to excuse the pun. It is very important that the actual elements of what we are charging are quite separate and discrete, are well defined and are not entangled in any way. I guess the first aspect of a licensing system is the registering part, so that everybody will know who actually has access or the right to use water. There are then the volumetric aspects and the water management aspects. We would probably see three separate components there. With regard to the first one, the registering process, clearly there is the cost of the whole support structure for the registering process, and also of verifying that what the applicant is stating is actually true. That could be quite separate from a volumetric approach, and also from the long-term water management process of monitoring what the person is actually doing with that water.

The CHAIRMAN: There seems to have been a melding together of that in the actual fee structure. Has that led to the muddying that you are talking about?

Mr Hall: I suspect so. I have been involved with the agricultural and horticultural sector for over 10 years now. In some ways I do understand why some of the commodity groups have reacted in the way they have to the new structure. I think that the use of a ladder in which volume is mentioned has possibly confused the issue. There is no question that there needs to be a direct relationship between the cost of verifying an application and volume of what is being assessed; for example, the number of dams. In other words, the cost needs to bear some proportionality to the volume. However, the mention of volume has probably given some people the impression that it is a volumetric charge, whereas I suspect that that is not really what it is about; it is about the cost of verifying a large amount of infrastructure.

The CHAIRMAN: Essentially, it is about monitoring and regulating that pool of water, is it not? That is what the plan says.

Mr Hall: At the higher level, yes.

The CHAIRMAN: To move to the actual government response and to the blueprint, there were 72 recommendations. The implementation of those recommendations would include the charging of a licensing fee. This may be enunciated in the state water plan, but there does not seem to be a clear process of implementation. In other words, at what stage should people be licensed? Should people be licensed before that consumptive pool has been established? How will the implementation apply?

[11.30 am]

Mr Hall: Since I do not work for DOW, I cannot really answer that. One of the concerns that I have expressed through the whole process, which you have picked up, is that documents like the blueprint and the state water plan are high-level and strategic documents. They refer to implementation, but there is a big gap when it comes to implementing a particular aspect; namely, a licensing framework and its detail. The problem that people on the ground are having - you hear this from all the major commodity groups at every state water forum - is that they do not have enough detail. When people do not have enough detail about what is going to happen, they start to read things into what may or may not happen. Do not get me wrong - we are supportive of what DOW is doing and how it is doing it. However, given what is expected of it, it is under-resourced and that, of course, is related to the time frame. The drivers are driving this very fast. DOW is under the pump. The more detail that they can present to the stakeholders, the fewer problems we will have in terms of the implementation and a resistance to the changes that are being proposed.

The CHAIRMAN: From the perspective of your irrigation group, should there be any exemptions from licensing? I am not talking about domestic bores in the city; rather, I am talking about irrigation areas. Are there any groups currently using water within that area that should be exempt?

Mr Hall: Probably not, just from the viewpoint that it is in the collective best interest of everyone in Western Australia to be fully aware of what is happening to our pool of water. The registering part of a licensing framework is the very best way to know that. In fact, at a presentation given by the lawyer who had been engaged by DOW, there was quite a dialogue between him and the commodity groups about trying to find middle ground between a licensing system and what they wanted. They were prepared to go through a straight-out registry. That implied, I think, that the one step further to a licensing system was a bridge too far at this stage. However, they were more than happy to be put on a register. To me that was clear acknowledgement that they accepted that it is reasonable for everybody in the state to know that they had a certain amount of water and that they were using it for agriculture, horticulture, aquaculture or whatever. That was a major step forward.

The CHAIRMAN: What we are finding difficulty with is that the schedule of fees and charges is based on the water allocated to a given user. It does not seem to take into account what it costs to assess that and what it costs to monitor and measure that down the track. For example, I refer to a 100-gigalitre pool of water - I am not au fait with measurements, so please bear with me - that is carved up into shares. Let us say that 20 per cent of it is allocated to state forests, 10 per cent to plantations and X amount to domestic and agriculture use. One would expect that domestic and agriculture users normally not need a licence. The remainder is allocated to irrigators and some to the Water Corporation for domestic use in the city. That total consumptive pool is divided up into shares. At the moment it seems that the only people who are paying anything towards that are those who have a licence. That is the argument that is being advanced to us. It has also been stated that the other people who are not considered a part of the licensing regime have an entitlement to a huge amount of that water in the pool without necessarily contributing towards the costs of measurement, monitoring etc. Was that envisaged in the process or is that something that the commodity groups have an issue with?

Mr Hall: What you said is a fair observation of what is happening. You mentioned those groups that are not paying. I do not know who those groups are.

The CHAIRMAN: Who monitors and assesses the impact in our state forests? Who monitors and assesses a plantation? Who monitors and assesses those people who have put in dams and who have not been required to be licensed because they have not been given an allocation?

Mr Hall: Those are all good arguments for an enhanced framework. I am aware that there has been some concern from some groups about the co-ops. I am sure you have received a submission from the co-ops, which are members of our group. One of the points that they have raised with me is that often some of the agriculture people do not really appreciate the co-ops' obligations and responsibilities. It is an outsourced management role from DOW. It is doing work for the state, but those costs are not transparent enough for others outside the co-ops to realise that there is greater equity between what a member of a cooperative is paying as an irrigator versus someone who is outside that cooperative. That lack of transparency may have caused some unnecessary friction.

The CHAIRMAN: Probably there is a misunderstanding of the role of the co-ops. The co-ops become a single user in the eyes of the Department of Water when, in fact, there are 600 or 700 members who are all using the big bucket of water that the co-op is allocated.

Mr Hall: The growers within the co-ops are paying for the service and for the monitoring of what goes on with their cooperatives so that the cooperative can report what it needs to report to DOW to continue to have its licence.

Moving on to the second point, as a general principle we argue that full cost recovery is important, because it sends clear market signals. In fact, the flipside of that is that when any commodity has no value or a very low value, people are more likely to use that commodity unwisely or excessively or to make poor business decisions about what to use it to grow, in the case of water.

The CHAIRMAN: What is your understanding of the term “full cost recovery”?

Mr Hall: In terms of licensing, for example, it would be the true cost of delivering a service, not an embellished cost with a view to some sort of revenue raising for the general coffers.

The CHAIRMAN: Made up of what?

Mr Hall: It would depend on the components required to underpin a licence. In our submission we point out the probable need for a management board to ensure good governance and that the revenue that is generated through these charges is directed to ongoing improvements and water management. The ERA has a critical role in regularly reviewing the operations of the whole framework so that it does not grow in the way that bureaucracies have a tendency to do. That point has been made many times by a range of industry groups at various water forum meetings. While they are supportive of the framework, they do not want to see a growth in the bureaucracy. They want the service delivered in the most efficient way. The ERA is clearly a mechanism to help ensure that.

[11.40 am]

The CHAIRMAN: Coming back to that point, in the reform blueprint that was put up it is quite clear that you do need to establish statutory management plans. The reason for that seems to be that within that statutory management plan for that catchment area you can then measure and monitor the usage of that catchment pool. I do not see, though, in the process that has been applied - correct me if I am wrong - how you can start applying fees and charges; certainly a licensing or registry fee as you are talking about, I can see you can apply that. But until such time as you know, firstly, what you have got to manage, secondly, how you allocate that and, thirdly, how that is then measured and monitored, the costs of doing that, I would then agree, would be spread across all users within that management pool.

Mr Hall: I would totally agree. What you are arguing is a more evidence-based approach to the development of these charges. There are a number of examples within the whole water process that the state has undertaken, where it could be argued that some of the carts are getting before the horses, but by the same token we are trying to achieve a great deal in a very short period of time because of the external drivers.

The CHAIRMAN: We as a committee are not being critical; we are just raising the issue that, as I said, there seems to have been a quite clear process proposed by the blueprint and by the state water plan, which we do not have any problems with. But you establish consumptive pools, you put a management regime in place, you register the people who want to draw water from that and then you start charging them a series of fees. So the point that you made earlier about a registration fee, I think, everybody accepts.

Mr Hall: I think if you look at what is happening in the Gngara and Swan Valley, that seems to be a much more subtle and modern-change management process inasmuch as in partnership with the irrigators and the water users, DOW has put meters in place and it is a case of monitoring and seeing what is going on. Unfortunately, the media got hold of it and had their splurge in *The West* which really in many ways is not in the spirit of the continual improvement, because this is an attempt to continue improvement, which is really what the whole -

The CHAIRMAN: I do not think anybody takes any notice of *The West* any more, do they?

Mr Hall: Maybe.

The CHAIRMAN: Is it the truth or did you read it in *The West*?

Mr Hall: But as a process, I think what is happening north of Perth is very positive because it is a partnership between water users and government to learn what is actually going on. The problem with change is if that then leads to a range of punitive actions because people use more than they were licensed to, then nobody is going to participate in the next stage. So the continual improvement approach to change management, of course, is that you take it very constructively and positively, and you talk to them and say, “Well, this is what actually happened. How are we going to improve, you know, get you down to where you need to be?” So, more of a negotiated approach. I think the more we see that approach across the state in implementing what is in the blueprint and the state water plan, the less resistance we will have to what in general I think most stakeholders agree we need to do.

The CHAIRMAN: And that is opposed to what has happened perhaps. That is an alternative view to what is currently happening, in that the Department of Water has said, “There is a schedule of fees and that will apply regardless across the board.” That is, attachment A or the schedule that was decided within the blueprint seems to have just been applied blanket across the state.

Mr Hall: I must say personally I guess we have no insight into the rationale, the basis, the framework behind the -

The CHAIRMAN: No, I am not suggesting you do, but I am just going to your organisation’s view. You are saying the way to do it is to progressively put in place that management structure that was proposed by the blueprint. That then allows you to set the schedule of fees that apply to what, to that particular irrigation area or that particular consumptive pool?

Mr Hall: Also I think the advantage of doing it in that way is that - I mean, generalisations are fine but at the end of the day you need to make assessments on a regional and local basis because the consumptive pressures will be different; therefore, the preparedness of the people in that area to bear extra cost, if that is what we need to do to sort out competition, is going to be different. At the moment it is just a blanket approach which is not able to take that sort of mosaic into account, I guess.

The CHAIRMAN: And that is understandable if a consumptive pool is not established. For instance, if we look at Harvey, there is a very discrete consumptive pool that is established; and it is pretty well measured and monitored, is it not?

Mr Hall: Yes.

The CHAIRMAN: If we look at the Gascoyne, there is a very discrete pool that is already monitored and measured.

Mr Hall: Yes.

The CHAIRMAN: And to a certain degree the one in Kununurra on the Ord is pretty well measured. So there is not a great deal of difficulty. Perhaps we are seeing that in the fact that we are not getting a great many submissions that would argue with the process; whereas in the south west, where that process is not yet well established, there seems to be argument coming forward.

Mr Hall: Yes.

The CHAIRMAN: Some of your members obviously come from that area.

Mr Hall: The challenge for our organisation is that we have such a breadth; I mean, our cooperatives are members. While I do not think there are any commodity groups that are members, we obviously have working relationships with them and in future we would want to see some of those groups becoming affiliated perhaps with our association because they are irrigators. So we walk a fine line, I guess, between all these players. I guess the point that we make in a couple of these references is relevant to what we were just talking about as well, because the infrastructure costs of collecting water are something that I think is behind some of these arguments. Our view is that the infrastructure costs of collecting water are a business activity. If parts of that infrastructure

of collecting water so that somebody can carry on a business activity are essential as far as collecting water management data is concerned, that is the component that should be acknowledged by government and compensated or paid for as a service. Clearly there must be an evaluation of the quality of data and that is where it would have to be accredited or some training by DOW. I think one of the problems is that it is very clear to people in industry that the government through DOW does not have the capacity to manage water across the state to the level at which some would like it to. The reality is that it can be achieved only through a real partnership between government and community, government and industry, government and individual businesses. So that must ultimately translate - we already see it with cooperatives; they are already an example of outsourcing of that role in the management of water. But we are inevitably going to have to see that rolling out beyond that. There are other groups that are doing good work in the south west and it has been, again, proposed and discussed at the water forum meetings that these groups should be better acknowledged and play a greater role in the management of water in the future. Clearly that has to be with some technical competency, and that is where there are issues of training and so forth, but at the end of the day a modern business will make good business decisions based on good data. So at the end of the day we have got to put some trust and faith in business operators that they are going to make the correct measurements. They are not going to fudge because somehow it is going to get them out of a licence fee, because if they use fudged figures or poorly collected figures to base their business decisions on, it is not going to help their business. So there is a mutual benefit to everybody if they follow through that partnership model. Clearly it is not going to happen overnight because there are a lot of competencies and in that area of competencies is where irrigation in Australia is very strong because we have developed a framework of certified professionals and practitioners, if you like. So in the rural sector, for example, we have a certified irrigation operator and manager and we believe that clear demonstration of competency in managing and using water should be linked to licences in the future. In a sense, that is foreshadowed by the whole concept of water conservation and the water-use plans the department is talking about linking to future licences or to amendments to licences in the future. We would certainly like to see within that framework, over a period of time, a move to require a clear demonstration by water users that they are competent. The broader community has a right to know and be confident that the people allocated large amounts of water are using that water efficiently. Otherwise, the market will demand that water be used for another activity.

[11:50 am]

The CHAIRMAN: Does that not become a natural consequence of the establishment of a statutory management plan for a given area?

Mr Hall: In what sense?

The CHAIRMAN: A statutory management plan supported by legislation - legislation which, incidentally, does not yet exist but is in the process of being formulated - documents the size of the consumptive pool and determines the amount of water within that pool that can actually be allocated, and gives us the capacity to competently manage that pool of water. As the statutory management plan is rolled out it will then be a matter of deciding within the framework of the plan how to measure and monitor the process. Whether it is monitored by establishing a metering process or by simply measuring the size of the dams is immaterial. That has to be part of the overall statutory plan, does it not?

Mr Hall: Yes. I guess one of the problems with that approach is the reality of the idea that we now know exactly the size of our consumptive pool. We are unable to know the size of the pool because we are still learning what our actual water resources consist of; therefore, it is a consumptive pool with a fairly fuzzy edge. However, in the areas that we have a high quality knowledge of the water pool we need to start allocating the water; clearly we can be more prescriptive and descriptive about what people can use the water for and so forth.

However, I think there has to be an element of ongoing modification as we learn the truth and know more about our water resources. That knowledge could add to the known volume of water - or it could decrease.

The CHAIRMAN: However, one of the arguments about that model is that in one consumptive pool there may be 1 000 water users and in another consumptive pool, for example the Gascoyne, there may be 50 users, yet both groups are charged the same fee. The assessment of the Gascoyne water pool will probably cost more than the assessment of the south west water pool. Technically, it could be said that people in the south west will be paying for the assessment of water in another part of the state.

Mr Hall: They will be subsidising the cost.

The CHAIRMAN: That is one of the arguments raised. If we look at the same consumptive pool, a person using 500 gigalitres of water is essentially paying the same amount of money as someone using 2 000 gigalitres.

Mr Hall: I do not know what can be done if we assume in those two examples the charge levelled against each user represents payment for the true cost of the process. It clearly signals the need for the 1 000 water users in the first example to develop a framework that will more efficiently and effectively deliver the licence outcome at a reduced cost; cooperatives would argue that they have achieved just that outcome.

The CHAIRMAN: A co-op would argue that because it has only one licence fee to pay, whereas, the other users are paying for the delivery of the water. In another area, the 700 users individually drawing water from bores and dams are paying individual licence fees. On paper, albeit a flawed argument, the cost of their water is greater than the water consumed by a person working within a cooperative agreement. I suppose the answer is to become a cooperative. However, at the end of the day, a cooperative is really the equivalent of a statutory management body.

Mr Hall: I am aware that individual growers in the south west have discussed with some people the need to consider developing a cooperative-like framework or organisation in order to reduce the overall cost of their water. The fact that these people are not connected in the same way as cooperatives to reticulated water is a physical reality; however, that is not to say these people could not develop - in a virtual sense - a cooperative-like organisation that will deliver reduced costs.

The CHAIRMAN: That brings us back to my original point: is that not what a statutory management plan is about? It is a mechanism for measuring water allocation in a particular area. However, it seems that the allocation framework put up in this process could become inequitable depending on the way the management plan is structured.

Mr Hall: It indicates that we perhaps need more flexibility in the way we solve regional problems. I do not know what the solution is. I certainly think that a cooperative-like organisation is one potential solution. Politically, it will be a very challenging to achieve because there is not that common physical connection such as the common-pipe system of the cooperative or a common groundwater source. It is a difficult one.

The CHAIRMAN: Doug, were there any other terms of reference issues that you wished to address?

Mr Hall: Terms of reference point (5) moots the possibility of licensing residential bores. In our view -we made this clear when addressing reference point (1) - licensing is important but we must also be practical about it because there is a cost-benefit consideration. An urban water user consumes in the ballpark of 150 kilolitres of water and the lowest licence is for 1 500 kilolitres; therefore we are looking at 10 urban users equating to one commercial licence. That will be an extremely complex situation to manage. However, when the water resources bill was drafted it was recommended that the minister be given the capacity to delineate the areas and start restricting the consumption of groundwater. We certainly support an evidence-based approach to restricting the

consumption of groundwater in the event of clear qualitative evidence of too much draw down in the urban area. However, it must be evidence-based and done in such a way that everybody living in that community takes responsibility for managing the solution. The extreme response is to put a meter on every bore; however, the cost of doing that would be prohibitive. Clearly, it needs to be done in a very staged way with a lot of sense of reality and cost-benefit in the process.

The CHAIRMAN: Is that not already being done? There are two ways of doing that. Firstly, in the case of larger quantities of water, we can license and allocate the water. Secondly, in the metropolitan region and the larger country towns that has been achieved by restricting the time of use. People can use their bores only two days a week instead of seven days a week. At the end of the day, the desired result is the management of the consumptive pool. Are we not achieving the same result with water restrictions as opposed to the licensing and allocation of water?

Mr Hall: Restricting the times at which people can use water is one approach. Strictly, from an irrigator's point of view -

The CHAIRMAN: I am not suggesting that it would apply to irrigators.

Mr Hall: I am talking about urban irrigation; a householder with a garden. The solution is more about consuming the right amount of water. Just because you restrict people to certain days does not necessarily guarantee they will use less water. We argue that as technology improves and the quality of irrigation systems in the urban area improves, the use of environmental signals in determining when irrigation systems come on or off is probably more important.

[12.00 noon]

The CHAIRMAN: Within the consumptive pool of the metropolitan area, would that not then come back to a certain share being allotted by the Department of Water? They would estimate that X number of shares of water within the consumptive pool would be used by the residential area, and the cost of monitoring and measuring would then be worked out within the overall cost of monitoring that particular consumptive pool. The costs, in that instance, would I suspect be borne by taxpayers in the residential pool to measure the overall pool. In other words, that consideration would again have to come within the statutory management plan for that consumptive pool. That pool should surely not be treated any differently to the one at Manjimup or the one at Harvey.

Mr Hall: The evidenced-based approach in assessing how much water we have should be similar right across the board.

The CHAIRMAN: That is right, because the licensing regime then becomes part of the process of allocation.

Mr Hall: Yes.

The CHAIRMAN: Do you have any final comments?

Mr Hall: No. I hope this has been of value to the committee.

The CHAIRMAN: It certainly has, and thank you. As I said, you are the first one today who is actually one of the lay people in the reform process, so it has been most helpful to us. I also thank you for your frankness in the way you have approached it.

Mr Hall: If the committee is interested, I have a copy of our latest journals. I also have information sheets about the certifications I mentioned. I will leave those with the committee.

The CHAIRMAN: Thank you for your evidence before the committee today. A transcript of this hearing will be forwarded to you for correction of minor errors. Please make these corrections and return the transcript within 10 days of receipt. If the transcript is not returned within this period, it will be deemed to be correct. If there are any difficulties in returning the transcript within that period, I ask you to contact Loraine Abernethie. If anything further arises between now and the time you finish your corrections, or if anything arises from any corrections you may need to add, I

ask you to contact Loraine, and the committee will be happy to accept that within the confines of your evidence. Thank you.

Hearing concluded at 12.03 pm