

**THE PARLIAMENTARY JOINT STANDING COMMITTEE ON ENVIRONMENT,
RESOURCES AND DEVELOPMENT MET IN THE RECEPTION ROOM, TOWN
HALL, LAUNCESTON ON MONDAY, 2 APRIL 2007**

Dr TONY McCALL AND Mr JOHN MARTIN, DORSET EDG, WERE CALLED,
MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

Dr McCALL - Dorset Economic Development Group met with Department of Economic Development staff in Scottsdale on 16 January 2007. It was agreed that a joint socioeconomic impact assessment be undertaken in relation to the potential Auspine closure. DED supplied a document prepared towards the end of 2006 as a preliminary analysis. Time lines were tight, effectively a month, and the length of the report was only expected to be six to eight pages.

The result was effectively a diagnostic, being driven by the need to respond to questions asked in the House of Assembly towards the end of 2006. There was an agreement that up to \$5 000 would be allocated by the Department of Economic Development for costs relating to the compilation of the report.

Socioeconomic impact assessments, if they are to be considered appropriate and methodologically sound, should be conducted prior to decision-making, not after decision-making. The Dorset EDG report was a preliminary analysis limited by resources and time constraints. The Dorset Economic Development Group is a voluntary community-based organisation, and as such the report was really outlining what an appropriate socioeconomic impact assessment would investigate given appropriate resource capacity and time lines.

In relation to terms of reference for this committee, section 12A of the Forestry Act requires consideration of employment implications as long as the wood is sourced from crown land. The joint venture should not affect this obligation and duty.

Regretfully, no section of the act sets out how or if this consideration has to be demonstrated, nor, if it is required under the act, to directly influence decision making once consideration is undertaken. In other words, consideration could be ignored. In this instance, without evidence to the contrary from Forestry Tasmania, it would appear that consideration was ignored.

In view of the Dorset Economic Development Group and the report that we compiled, consideration should have included the following: how a positive socioeconomic impact could be achieved by taking a wood supplier from the existing \$80 million enterprise employing 296 direct employees with an annual \$16 million worth of wages and salaries and a potential multiplier loss of \$16.5 million worth of income from a socioeconomically-disadvantaged municipality and transferring that wood supplier to a company that had no mill, had no capacity to use the wood resource, no experienced or skilled work force, limited softwood experience and limited markets.

The anticipated socioeconomic impacts beyond the Auspine closure should have been a consideration. Such impacts relate to the viability of health care and education facilities,

the role of Scottsdale as the service retail hub for the municipality and the aggregated impact of three significant enterprise closures in less than 10 years.

The final consideration would have been the broader vulnerability of rural and remote communities - Dorset has a population of fewer than 7 000 people - to meet the human resource challenge - skilled work force, innovation and enterprise management - when significant employment drivers are removed from the social and economic structure of a community and the flow-on effects in the social and community fabric. Those impacts on a larger urban or rural centre can often be absorbed or hidden by more buoyant employment and service opportunities.

The Dorset Economic Development Group supports the Dorset Council's submission that it should be a recommendation of this committee that log supply decisions involving Forestry Tasmania must take into account the employment and consequent social and economic impacts on local communities.

CHAIR - Thank you Dr McCall. Mr Martin, anything you would like to add to that at this stage?

Mr MARTIN - No, I would just like to mention that I am a member of the Dorset Economic Development Group board, hence my representation here today.

CHAIR - Thank you.

Ms THORP - Dr McCall, I think everyone in the room would probably agree that in an ideal situation full socioeconomic studies should be taken before any large decisions were made. But bringing into account, for example, Blundstone's decision to move some of their work overseas, would you agree that that was purely a commercial decision on their behalf?

Mr MARTIN - It was purely a commercial decision but then it did not involve access to Tasmania's public resources.

Ms THORP - That is the nub of it, isn't it?

Mr MARTIN - I think that is the reason why governments and communities would be interested in a socioeconomic impact assessment. You are perfectly correct: some commercial operations make entirely independent resource decisions which, in the instance of Blundstone's, means that they are able to make those sorts of decisions. This was a different assessment because of the involvement of a State-owned resource.

Mr GREEN - Dr McCall, you talked specifically about the resource being allocated and section 12A of the act having to come into play as a result of a resource grown on crown land. Is it not the case, though, that 12A talks about the allocation of crown resource and, given that Forestry Tasmania had contracted out of the ownership of the resource itself, that 12A would not necessarily apply?

Dr McCALL - That is not my view, Mr Green. My view is that if the resource is grown on crown land then the act applies and the joint venture doesn't apply.

Mr GREEN - Is that your view or is that a legal opinion?

Dr McCall - It is my view. It is also a view I think supported by Michael Stokes at the University of Tasmania.

Mr GREEN - On a point of clarification, Mr Chairman, with respect to the act itself, we have got a copy of the act -

Mr BOOTH - While we are waiting for Mr Green to find that, would you like me to read a brief statement from Michael Stokes in regard to that exact matter that Dr McCall referred to. He says:

'Allowing a joint venture arrangement to deal with the disposal of forest produce does not, in my opinion, allow Forestry to disregard employment implications in determining how to dispose of joint venture produce because the power to enter into a joint venture is one of its powers of management and is subject to the limits of those powers of management.

If that were not the case Forestry could ignore all statutory limits on its powers, including those imposed by section 12 of the act, dealing with the duty to consult with the Director of Environment Management and on avoiding environmental harm as well as 12A when entering into a joint venture. So the obligation under 12A to consider employment implications applies where the timber comes from crown land regardless of any joint venture. It does not apply to timber from private land.'

CHAIR - That is the opinion.

Mr BOOTH - He goes on a bit further, but that is sufficient.

Mr GREEN - I want to put on the record obviously, Mr Chairman, that 12A talks specifically about public forest resources and then talks about wood specifically. The statements made in Dr McCall's submission talk about the fact that they are on crown land; the point of my question was to establish, given that the wood had been sold to a part-owned private company, whether or not that view still held. We are not talking about crown land specifically; we are talking about wood and the resource.

Mr GUTWEIN - For clarification for the committee - and I don't know if this will help Mr Green or not - the interpretation of the Forestry Act explains what crown wood is. It says:

'Crown wood means timber obtained from state forest and crown land other than state forest.'

We know that whilst the resource was sold, it was grown on crown land so my interpretation of the act is that Mr McCall's suggestion might be correct. Notwithstanding that, I asked those questions in late November regarding the socioeconomic impact being conducted and it was always my intent in asking them that that information be provided to the decision makers prior to the decision being made. When you were contacted or had your meeting, Dr McCall, which I think was 12 January -

Dr McCALL - The 16th.

Mr GUTWEIN - on 16 January, did you believe that at the time you were contracted to undertake the socioeconomic study, albeit one with time constraints and not all that well resourced as you have indicated today, that would have been prepared prior to the decision being made? Do you think that that was what was intended?

Dr McCALL - I think the intention that I drew from the meeting that we had with the Economic Development staff in Scottsdale on 16 January 2007 was that the socioeconomic impact statement that was to be developed was for the sole purpose of allowing the Government to respond to the questions that had been asked the House of Assembly in late December 2006. My recollection is that there was no reference to decision making in the broader context that was occurring at the time.

Mr GUTWEIN - So it was meeting an obligation in regards to the Premier's answer to my question?

Dr McCALL - That was what I understood.

Mr GUTWEIN - Dr McCall, you said that the study was limited by resources. In what regard?

Dr McCALL - As I said, the Dorset Economic Development Group is a voluntary board. It is true that I have the resources available as I am a lecturer at the University of Tasmania but I also have a full-time job. We had four weeks to compile the report. The best that I could do was to rely on the information that the board members could bring to the socioeconomic impact assessment and also to ask a postgraduate student who was working with me to conduct as much gathering of information as was available within that short time frame because it became very clear that I think 16 February was going to be the deadline that the Government would attach to the report's public availability, so we had very limited time to do anything really.

Mr GUTWEIN - Were you surprised then that there was a decision made at the end of January whilst at that stage it was basically in effect in the middle of the information gathering?

Dr McCALL - I was surprised because I thought that what we were able to do may have influenced the outcome but I do not think that was really the way things were made possible given the short time frame that was available and no-one suggested to us that any decision was going to be made within the time line that we had to develop the socioeconomic impact assessment. There was no discussion about that.

Mr BOOTH - Doctor, you spoke of this being just a diagnostic report that you had done so obviously it has not got to the bottom of the total costs to the north-east community both socially and economically. The economic multiplier that you spoke of, \$16.5 million, is on an annualised basis, I presume?

Dr McCALL - It was \$26.5 million. Yes, per year.

Mr BOOTH - The community would obviously like those logs to go back to those mills but if in fact that is not possible and the mills ended up closing as a result of not getting a supply, can you give us a back-of-the-envelope estimation of what it would be likely to cost the community and therefore the public in terms of responding to that to regenerate that community and get it back to be self-sustaining, if you like, with other industry and do you think that is possible?

Dr McCALL - I cannot give a back-of-the-envelope figure on that. If you read our report, the purpose of our report was to say that this impact goes well beyond Auspine if the two mills were to close. This is a community that faces the possibility of three substantial enterprise closures within 10 years. We suggested in the report that the impact would be dramatic in the sense of at what point can a community continue to rebound against these sudden employment shocks in its municipality. There is sufficient evidence submitted in our report to show that the Municipality of Dorset is socioeconomically disadvantaged, even without this potential enterprise impact. Because we are members of the Economic Development Group we were privy to the challenges and the difficulties that the municipality faced over the course of the last two to three years to establish alternative enterprises in vegetables, dairying and a whole range of alternative opportunities, and investment in the municipality was going to be difficult in terms of alternatives that might have arrived, and so essentially we took the view that unless someone was able to, in a sense, demonstrate the broader potential impact that this potential closure would have then there would be little opportunity to galvanise not only the community's attention but our political leadership's attention around that level of impact.

Needless to say, if you are taking \$26.5 million out of a community per year over the next two or three years with not much prospect of significant enterprises replacing that sort of employment impact then it is going to have a considerable detrimental impact on the potential of the municipality to be sustainable over the next 10 years.

Mr BOOTH - Did you contemplate a response that would be required from the public purse, if you like, to regenerate that economy to replace what is occurring there now? Is there anything you can envision would enable the community to regenerate that at the moment?

Dr McCALL - That would require successful development and implementation of some of the projects that the Dorset Economic Development Group, together with State Government and agencies are looking at but there is no certainty attached to those developments and even if they were successful, it is highly unlikely that they would be able to establish the sort of employment capacity that these existing enterprises provided. Those opportunities would largely be in the primary industry sector and they would largely be focused around dairy expansion in the region but given the fact that one of Dorset's strengths has been its forestry resource capacity and always has been because it has attracted skilled employers into the region, then it is difficult to turn everyone into a dairy operator, similarly with tourism ventures and the like.

They are a resilient and terrific community but at some point people vote with their feet and they depart because opportunities are elsewhere.

Mr BOOTH - That confirmed my view, I might say, too that it appears that this will be a totally devastating blow for the north-east region unless those mills can keep operating and provide career paths for people.

Dr McCALL - If you have the privilege that I have, and that is to be able to look at the broader literature that looks at the regional development impacts that such a closure would have, you very rarely see municipalities of this size, with this dependence on such a significant enterprise, responding in a way that maintains their social fabric into the future. They essentially collapse or they deteriorate to the point where, as I said, people make their own decisions about the viability of their municipality and they do that by leaving.

Mrs RATTRAY-WAGNER - You spoke in your initial presentation to us about a preliminary report that you had. Did I understand that correctly?

Dr McCALL - Yes.

Mrs RATTRAY-WAGNER - Around December that was available, is that correct?

Dr McCALL - Yes.

Mrs RATTRAY-WAGNER - Was that provided to any of the players in making that decision? Had any of them asked to see such a preliminary report?

Dr McCALL - I don't know the answer to that. What I do know is that the document was produced by the Department of Economic Development towards the end of January and we were given it probably two days after our meeting on 16 January. Whether it was sent to any of the stakeholders involved in the broader discussions, I am not aware.

Mrs RATTRAY-WAGNER - So the DED never indicated what they were going to do straight up with the preliminary report, whether they were going to hold it or shoot it off to Taswood Growers or Rayonier or even the Government for that matter, the Premier, to give them some cursory look at what may eventuate should the resource not be available to the north-east?

Dr McCALL - I think what the report set out to establish was the view that the Department of Economic Development had at the time about the sustainability of the softwood industry in the north-east of Tasmania. That would be what it said but beyond that there was no indication as to where it was going. It was to try to inform the shaping of what was going to be a joint report by the Department of Economic Development and the Dorset Economic Development Group.

Mr BOOTH - Dr McCall, you spoke about section 12A earlier on in regard to interpretation and consideration and precisely what that meant from a legal point of view. Is that your own view or have you sought legal advice as to whether in fact the consideration could be more highly interpreted than what you have suggested there?

Dr McCALL - I have concentrated on the use of the word 'consideration' from my perspective as someone who is interested in regional development policy and also as someone who is interested in public administration and governance. Of course the

ambiguity attached to consideration leads to the conclusions that I am drawing here. Has there been a demonstration of consideration by the appropriate stakeholders? Even if there has been a demonstration - for example, a document that purports to consider the employment implications - did it inform consequent decision-making? I am suggesting that, because the term is 'consideration', the report, if it did exist, may not necessarily influence the decision-making. It could be entirely ignored because of the ambiguity attached to the word 'consideration'. If that was to be clarified as a consequence of the outcomes of this committee and recommendations that would flow, then a lot of our discussions about what might have happened and what did happen would be clarified. Presumably it would consolidate a view that Forestry Tasmania must take this into consideration and they must report or must demonstrate that they have actually done so.

I have not been sitting around the committee every day so I am working on the assumption that none of that evidence has been supported by documentation to the committee.

Mr BOOTH - Correct, so it would be your view then that it would be worthwhile for the committee to seek proper legal opinion as to whether in fact proper consideration has been given and the affect that that consideration should -

Mr GREEN - Point of order, Mr Chairman. The member knows that we have had discussions around this matter and actually made some decisions in his absence, because he failed to turn up at the appropriate time today.

CHAIR - You are correct that they are committee deliberations in that respect.

Mr BOOTH - I will just go on with the question, Chair. I am seeking information from a person who has come in good faith to help us get to the bottom of this situation. I am merely asking the opinion of Dr McCall. I have no idea of what Mr Green is suggesting in terms of trying to shut down what matters the committee can look at it. It seems to me an important matter to find out from people who are expert in their field whether it is important to get proper legal advice, whether it would be worthwhile for the committee to find out whether a legal opinion on interpretation and whether it has been applied properly would be a way forward for the committee. It seems to me that that is what you just said before I was interrupted.

Mr BEST - Chair, the member is going to deliberations of the committee, and I think we all agree.

CHAIR - Yes. We have deliberated on that very issue. We did deliberate on it before so it is probably incorrect, or not the proper question to ask of Dr McCall at this stage.

Mr BOOTH - Chair, I dissent from that ruling.

CHAIR - You may dissent but I have made the ruling.

Mr BOOTH - I think it is appropriate that Dr McCall be given the opportunity to comment on it. Whether or not the committee decides to take advice is a matter for the committee.

Mr GREEN - We are saying that we have already made a decision in respect to that.

Mr BOOTH - That is not relevant, in my view, to this committee getting to the heart of the matter. Is this committee here to cover up or is it actually -

CHAIR - We are not going down that track. There is no matter of covering up here. I know you have asked the question of Dr McCall but we had deliberated before on that very issue of the way that the committee will progress this whole process.

Mr BOOTH - With respect, Chair, Dr McCall is not aware of that. I am simply asking whether he has an opinion on whether we ought to be doing that. In a similar way, other committee members have asked the ex-deputy premier to place certain matters on the record. He has argued about meetings he had, for example, with the council when he was a minister.

Mr GREEN - I did not argue with anyone.

Mrs RATTRAY-WAGNER - Dr McCall, we are talking specifically about Dorset. Would you like to give this committee some insight into what you believe might be a wider impact on the region? Scottsdale is only 45 or 50 minutes from Launceston. Have you thought about the wider implications of not having the Scottsdale community's input into this region?

Dr McCALL - The broad challenge is the one that we tried to refer to at the end of the report. Municipalities have two challenges that they need to address in 2007: can they keep their social fabric together and can they keep their communities together in terms of their capacity to develop and expand that social capital. The key challenge is what happens to the human resource capacity in the municipality when you have enterprise loss. That is the key to your capacity to engage in this very competitive and challenging global economy that we find ourselves in whether we like it or not.

The point that we tried to make in the report was that if you take skilled personnel out of socioeconomically disadvantaged municipalities, to the degree of the loss of 296 jobs, then it is very unlikely that a municipality can rebound to the extent that would make it as viable and sustainable as it has been in the past. Having been a researcher in Dorset since 2001, having watched the Legerwood closure, having been a member of the Simplot task force, having written the economic opportunities study for Dorset, I think that the potential loss of 296 employees out of Auspine, together with the flow-on effect into the other municipality, would have been a significant shock to the municipality. It would have been in danger in terms of sustaining the things that make it a municipality: its social identity, social capital, recreation and lifestyle facilities, extended community sense of identity. It would be a very vulnerable moment for the municipality. I think that is a consideration at the heart of adequate and appropriate socioeconomic impact assessment. In this case we were only able to deliver a very preliminary prognosis of what that potential could be.

Mr GREEN - Dr McCall, as a result of the negotiations that have taken place subsequent to the decision by Taswood Growers, and it seems that 12 months' supply would be guaranteed, and with the other negotiations about alternative resources, do you think Dorset EDG would look at further opportunity to utilise the skills of those people we are talking about, and other opportunities generally?

Dr McCALL - The broad view of the Dorset Economic Development Group, with its close association with the community, is that lifelines of 12 months, as are being proposed, will provide two opportunities. One is for Auspine itself to make strategic decisions about its future in the community. One of the outcomes of undertaking this socioeconomic impact study and developing a working relationship with the Government is that the Dorset Economic Development Group will have some ongoing operational funding which will allow us to extend our tentacles a little bit more effectively into the municipality.

I would be the first person to put up my hand to be involved in an extended analysis. For example, we are hoping that we can extend the 2003 economic opportunities study into a more pertinent study that reflects the current circumstances. That will benefit the Dorset Council, the Dorset Economic Development Group and the broader community.

In the timeframe that is available under the current circumstances, where negotiations and compromises are being organised, we need to perhaps look at potential opportunities that flow. Auspine is talking about establishing centres for excellence for softwood manufacture - I think those are the sorts of things the broader community and different levels of government might look at in terms of what that might mean for the community and what it means for the enterprise itself. Any opportunity to have some time and space is productive. We saw that with Simplot. The advantages we had with Simplot - if you can call them advantages - was that we had a timeline to, in a sense, prepare. The community had a 12-month timeline, the council had 12 months, and Simplot Task Force had 12 months. We could write a reasonably adequate opportunity study that pointed in some directions for the community and some of those options were taken up. I expect that, within the 12 months available to us now, that will be a time when again we can expand and outline those opportunities.

Mr GREEN - I had similar experiences in Burnie with the closure of the pulp mill. Even though it is not similar because of the size of the community, it was very advantageous.

Mr MARTIN - Mr Chairman, let there be no doubt that Dorset Economic Development Group supports the continuation of those two new mills, the downstream processing and the employment levels to be sustained and grow in the future. We are not talking about what might happen in the next 12 months or two years, or whatever, and we will go and do something else or stuff like that. The three main industries of Dorset are forestry-related, which includes the two mills, agriculture and tourism. The loss of those two mills, for instance, would be something that that region would never recover from for 10 years or more.

The Economic Development Group supports the continuation of those mills at current or growing employment levels going forward into the future. Whether they are softwood mills or hardwood mills will be determined by other people, but support for them is unequivocal in terms of that industry in the north-west.

Mr GUTWEIN - Following on from that, Dr McCall: over the next 12 months a number of things could happen; one obviously is that Auspine could lay a claim in the courts and, if this decision is found to be unlawful, there might be the opportunity for it to be reversed. But looking ahead 12 months and supposing that that does not happen and that Auspine

is able to secure other private resource, there has been a skewing in the entire pine market. In fact, as I understand it, the market has effectively almost doubled the amount of cut that is going to occur in Tasmania with FEA and their contract. How important is it that the pine industry itself have some form of economic analysis or opportunity analysis conducted, in that window that we now have, before we end up with a situation where we have double the rate of cut occurring in 12 months' time and a glut in the market of pine products? Do you think that is important? I would have thought that one of the challenges that we will face in the future in relation to the sustainability of these two mills in Scottsdale will be whether or not the market is able to withstand the new player that is coming in and the amount of pine available for sale in the domestic market.

Dr McCALL - I think the essential foundation of good public policy is always to look at alternatives within a policy perspective. So I would think that it would be a very good idea if the State Government were to undertake an evaluation of opportunities that require the access of public resource wood products, be they softwood or hardwood, into the north-east. I think everyone around this table is fully aware of the potential impact that Gunns' proposal, if it were to go ahead, would have on the resource in that region, given the fact that such a large percentage of the wood resource for the pulp mill is to be drawn from the region. So we need to be very clear in our mind to what extent this sustainability of the product would either support the transition of an Auspine softwood operation into partially hardwood or the continuation of its existing operations. We need that sort of analysis to be clearly conducted because I think every stakeholder needs to know the ground rules in relation to potentially accessing resources, what the future with the markets are like, what the impact of changes in the global softwood market will have and the like. There are a lot of considerations that need to be looked at before decisions are made but we will not know that unless we look at those potential opportunities.

Mr BOOTH - Have you, as a council, had a chance to determine the effect that the closure of those mills would have on your rate base, given the potential for a decrease in activity to the level that is predicted? Would there be any capacity to keep servicing the roads and bridges that will be carrying logs passed out of your municipality to another one with no commensurate return?

Mr MARTIN - We haven't undertaken any direct assessment but let me tell you it wouldn't be upwards. It would all be downwards. If you lose people from jobs, it will have a downward effect on the ability of councils to provide those services which we currently provide now and, bearing in mind the council is one of the most unsustainable councils in the State because of infrastructure gap, funding on roads and bridges and those types of services will be more difficult.

Mr GUTWEIN - Have there been any immediate effects on property values or any of the normal economic measurements that you would see in the community, flowing on already in regards to the uncertainty that is being faced? Is there any comment from real estate agents or is the Economic Development Group hearing of any situation whereby the ratepayers may be affected, or property prices being affected?

Mr MARTIN - There already are effects. Real estate agents have told us that in trying to sell houses the prices that they are asking for real estate in the area are either at or below government valuation. Properties are not selling. People are considering putting their properties on the market because of the uncertainty so it had an immediate effect

straightaway. Whether that continues into the future, given what has happened in the last couple of months in relation to future resources, I would say that there would be a fair bit of uncertainty around in places like Scottsdale. I already know that places in Bridport are the same - they were selling quite well at very good prices, but now people are struggling to sell them at government valuation, which was done only two years ago.

Mr GUTWEIN - What about retail spin? Any comment to make on that?

Mr MARTIN - I went to a meeting of the Chamber of Commerce the other night and a couple of the retailers that sell household goods and things like that said there was an immediate effect straightaway. It just tends to drop off and it is a lot lower than it was this time last year.

Dr McCALL - Can I make a very quick response to that, Chair? I think one of the things that will highlight the extent to which an impact such as this closure could have on a municipality like Dorset would be to regretfully wait until we see the 2006 census data in relation to the municipalities around Dorset. There is sufficient anecdotal evidence already from the ABS that most of the socioeconomic trends in Dorset are heading in the wrong direction now and when we get that proper diagnosis from July to November of this year, in my view we are more likely to find that Dorset has not been able to take advantage of some of the growth bubbles that have occurred in neighbouring municipalities such as Meander and even Break O'Day. If that is the case, when we get that aggregated data from the census that was taken in 2006 I think we will find that Dorset will be far more vulnerable to the sorts of impacts that this potential closure would have than what we probably realised 12 months ago or even three or four months ago. I think that that will be a very sad tale of decline within that municipality and so if that is to be the case, impacts of this sort will be catastrophic in relation to the capacity of the municipality to continue to sustain itself as a community into the near future.

Mr GUTWEIN - From your understanding then of section 12A, in your view what should occur now?

Dr McCALL - In relation to section 12A?

Mr GUTWEIN - You said that you have concerns in regard to whether the objectives of section 12A have been met by FT and obviously this decision is going to have an impact, regardless of whether or not Auspine are able to secure some ongoing supply or not into the future post 12 months. In your opinion, should the decision be reversed?

Dr McCALL - I do not have an opinion about that but what I do have an opinion about is that perhaps there needs to be two things. There needs to be some clarity around what this term 'consideration' means and the best way to clarify that is to ask the stakeholders to demonstrate compliance around consideration; what have they done that demonstrates a consideration? If they have done nothing then be that as it may, but surely there needs to be some attempt to clarify the ambiguity attached to section 12A in relation to not only, as Mr Green has mentioned, the role of the various stakeholders but also what the intention of that part of the act was because it links back to the relationship between Forestry Tasmania and the community as the managers and as the owners of our publicly owned resource. Surely a consideration needs to be demonstrated because then if it is not demonstrated then we can make assumptions about what actually happened within the

process and people can make their own assumptions because if you cannot demonstrate a consideration then we can conclude that it did not shape the decision making at all.

Mr GREEN – Would a demonstration involve Forestry Tasmania asking the Solicitor-General for advice and the Solicitor-General providing that advice?

Dr McCALL - I would not have thought that it needs to go there.

Mr GREEN - But if it had already, that is the point.

Dr McCALL - I have no opinion but surely if a consideration had been made, we should get something like this that demonstrates the consideration was made.

Mrs RATTRAY-WAGNER - Dr McCall, you talked about the window of opportunity that the Dorset region has now in assessing what might be able to be built on, considering that we may not get supply in 2008, and you talked about the 12 months' window of opportunity that we had from the Simplot time. What is your comment about my own particular observation of the fact that firstly Simplot wanted to leave our area and in contrast, Auspine do not want to leave our area? Also the employment at Simplot seems to me to be in complete contrast to the type of employees at Auspine. Can you give me your thoughts on that if you have a comment at all? I can see a lot of completely different types of people and different scenarios there, just in my own mind.

Dr McCALL - There are not very many rules in relation to regional development policy but I think the one rule that I am prepared to put my name to is that you look after your own in the first instance and you focus on what you have got and you try to develop it as best you possibly can under very difficult circumstances. As the council have indicated, the Dorset Economic Development Group will be doing their very best to support whatever decisions Auspine make in relation to the restructuring or the future of their particular operation in Dorset. If that is restructuring, if that is growing the existing enterprise, if that is looking at alternative wood supply sources, if that is establishing a softwood centre of excellence in the north-east that might require, for example, university participation, a whole range of research components then we will support that into the future because the moment you abandon what you already have then you have gaping holes that you may or may not be able to fulfil into the future. So our focus now, given the fact that we do have this opportunity, is on making sure that we support the enterprise in terms of the way it wishes to go forward.

Mrs RATTRAY-WAGNER - But it is going to take a huge amount of resources to be able to compile, firstly, some of that data that is needed and, secondly, to put some proposals in front of people as well.

Dr McCALL - I think that is one of the roles that the Dorset Economic Development Group can play in terms of doing some research, perhaps assisting Auspine with the development of proposals that may or may not attract Federal Government/State Government support in terms of the decisions that it wants to make about its future but that is our focus, I think, over the next 12 months because that has been the focus for the last 12 months as well and we have tried to facilitate an outcome that supports the municipality, broadly speaking.

Mrs RATTRAY-WAGNER - Thank you for those comments.

CHAIR - Time is slipping by, gentlemen. Thank you very much for your evidence this morning

THE WITNESSES WITHDREW.