

UNCORRECTED PROOF ISSUE

Wednesday 25 June 2008 - Estimates Committee B (Wriedt) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE B

Wednesday 25 June 2008

MEMBERS

Mr Dean
Mr Finch
Mr Wing
Mrs Jamieson
Mrs Rattray-Wagner (Chair)
Ms Ritchie

SUBSTITUTE MEMBERS

IN ATTENDANCE

Hon. Paula Wriedt, Minister for Economic Development and Tourism

Department of Tourism, Parks, Heritage and the Arts

Norm McIlfatrick, Secretary
Elizabeth Jack, Deputy Secretary, Business and Community Development
Craig Watson, Executive Director, Corporate Support
Jonathan Wood, Deputy Secretary, Industry Development
Alan Campbell, General Manager, Export and Market Development
Matt McGee, General Manager, Resource and Infrastructure
Wendy Spencer, Director, Innovation Science and Technology

Felicia Mariani, Chief Executive, Tourism Tasmania
Adam Sproule, Head of the Office of the Chief Executive

Ministerial Office

Lesley French, Head of Office
Christian Attfield, Adviser
Phil Souter, Adviser

The committee met at 9.30 a.m.

CHAIR (Mrs Rattray-Wagner) - Good morning, Minister, and welcome.

DIVISION 1

(Department of Economic Development and Tourism)

Output group 1

Economic development

1.1 Export and trade facilitation -

Mr WING - Export and trade facilitation: in the year 2009-10 and the subsequent financial year there is a decrease in the projected financing then a resurrection of some funding for 2011-12. I am wondering why that is?

Mr WATSON - There is an accrual adjustment between 2008-09 and 2009-10 to do with our estimates on international education in terms of the balance of funds we carry and putting out to the providers. It is estimated for those to diminish at that point in time.

Mr WING - You mention education: this item covers marketing for international students?

Ms WRIEDT - Yes, it does.

Mr WING - Do we have some information about what is happening in that area, what has been done and what the results have been in recent years?

Ms WRIEDT - For the 2007 calendar year the total number of enrolments at Tasmanian institutions reached 4 092. Commencements in 2007 were 2 147 students, so there has been slow and steady growth in each of the years since 1999. We estimate that the students for 2007 calendar year contributed around \$70 million to the Tasmanian economy.

I know you would be aware of the Education Tasmania Marketing Alliance, which is the joint group between Economic Development, schools, TAFE, the university, AMC - when I say schools I mean both non-government and government schools. There is also involvement in that from Fusion Poatina, the Tasmanian College of English and the Worldview Centre of International Studies. It is a group that gets together to produce brochures to present Tasmania as a whole State with the whole range of education opportunities available to students, rather than what occurs in some of the larger States where individual institutions will go off and try to market themselves and get some sort of traction in that way. We provide \$200 000 a year to support the activities of that educational alliance.

In the last year they have done a number of things. There has been a series of advertisements in a range of guides which are education-specific. So there are publications like the Good Guides *Studies In Australia* book and they have a corresponding web site. Japan has a *Study in Australia* magazine. There are a number of specific publications aimed at international students looking to come to different countries. So we advertise in those. That group gets together under the Education Tasmania banner.

We had 20 overseas agents who were here in the State in May for about four or five days - some of them stayed a little bit longer - on a familiarisation tour. For a lot of those agents it was the first time that they had actually been in Tasmania and we put together a program for them where they went into the different institutions. They had a few hours over at Rosny College, they went to the university. They went right around, plus they also saw a little bit of Tasmania. They did some non-education-related activities as well because we wanted them to understand about Tasmania as a destination and a place to live, not only educational offerings. They were very enthusiastic. I hosted a dinner for them halfway through their trip. They were quite excited by that I have to say because apparently in the previous visit to Australia the most senior person they had met had been the Lord Mayor of Adelaide. No offence to the Lord Mayor of Adelaide but they were very excited to meet a State government minister and to have dinner. They came from a range of countries: Brazil, Bulgaria, Germany, Czechoslovakia, Poland, England, Vietnam, Hong Kong. It was a really diverse group. They were very enthusiastic. They were quite taken with they had seen here. So a real personal relationship has been developed with a number of those agents. I think they will go back as very good ambassadors for selling Tasmania.

We will continue to do things like that. We have hosted some Australian international education overseas councillors on visits here as well - once again, familiarisation-type tours. The staff within the department who work under Alan have continued to be active in going to overseas expos and promoting the State. There has certainly continued to be a fairly active program. Obviously as you would be aware in the eight years that I held the Education portfolio I took an interest in this and actually took part in a number of overseas trips specifically related to our international education sector, particularly in China.

In Shanghai there is a very good example with Bangde College and there is a partnership between them and the Institute of TAFE Tasmania. Students do their Certificate III and Certificate IV in logistics and transport distribution with the assistance of teachers at TAFE Tasmania who go over and for four-week blocks teach the students in Shanghai. Then the students have come out here and done their diplomas and advanced diplomas. That program kicked off in 2003, from memory because I was there for the launch in Shanghai, and early last year those students actually finished. They had been here studying and there was a TAFE Tasmania graduation in Hobart where those students were presented with their diplomas and advanced diplomas. Some of them had family members who came over to support them for that. So that relationship continues and will grow because there was an identified need in Shanghai for those specific skills. I think there is great hope that, with the success of that, it could be extended into other areas.

Mr WING - That is very good to hear. Could we have some details about the results of students coming here for the first time, say for the last five years? Last calendar year there were 2 147, so could you please give us the preceding five years for students?

Ms WRIEDT - Yes, I can read them out but it is probably just as easy if we take it on notice and I can table it later in the day.

Mr WING - If you could do both I would be interested.

Ms WRIEDT - In total we had 4 059 students in 2007.

Mr WING - You gave the figure of new students in 2007 as 2 147. Perhaps we could have the new students and the total.

Ms WRIEDT - We do not have the commencement figures with us at this stage prior to 2007, so at the moment I can give you the totals and then I can take the other one on notice and we can find those. There were 3 937 in 2006; 2005, 3 646; 2004, 3 281 and 2003, 2 933. To give you a comparison to see how significantly it has changed, back in 1999 we were looking at 1 302 students. There has been a steady increase with a couple of jumps along the way.

Mr WING - That is very good.

Ms WRIEDT - Yes, and predominantly those jumps are I would probably say without having the breakdown of the data would have some correlation with some of these individual partnerships that have established with institutions such as Bangde College.

Mr WING - And the law faculty has liaison with a university in Kuala Lumpur?

Ms WRIEDT - Yes.

Mr WING - Two colleges or universities now.

Ms WRIEDT - One of the things that we are looking to do, and we have already done some work, is to further join with UTas in having functions where we can actually get together with students who now live around the world, who have come from the university either as locals or as international students who came here to study. Last year in Los Angeles and New York, and we went over for G'Day USA, UTas were with us through their alumni. We hosted a very successful function in both locations where there were students who had been here and studied and who were absolutely fantastic advocates for Tasmania. I can see the value in that in terms using them to encourage people to come here to study but also from a tourism perspective - everything that fits in with the brand. They could be great brand ambassadors for Tasmania because they have loved the place. They have lived and studied here and some of them have said that they would like to come back to live here. So we have this great group of people out and I think we can really harness that opportunity to connect with them and get them to help us tell the stories.

Mr WING - That is one of the many advantages of having international students.

Ms WRIEDT - Yes.

Mr WING - We have people who are alumni of the university such as the Minister for Primary Industries in Malaysia - I think he is still Minister for Primary Industries - upon whom an honorary doctorate was conferred by the university about two years ago.

[9.45 a.m.]

Some students come to do complete courses over three, four or five years; some come just to do English language courses of three months, six months or nine months duration. Of the 4 092 international students in Tasmania last year, are you able to give us any idea of how many were here for prolonged periods and how many for shorter English language courses?

Ms WRIEDT - We might be able to delve into those figures. We do not have them with us at the moment so I cannot provide them now but we can take it on notice and endeavour to find out for you.

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Mr WING - Are you able to give us some idea of the countries from which they come and which are the main countries providing us with international students? I think China probably would be the leading one at the moment.

Ms WRIEDT - I do not have the exact numbers but I am happy to take that on notice too. Generally speaking, the Asian countries have historically been our largest source of student numbers - Japan, Korea, Hong Kong, Thailand, China, Malaysia. I would have to take the question on notice to get the exact countries of origin for our students; I am sure we can do that.

Mr WING - Thank you, I would be interested to have that.

Ms WRIEDT - Just following on from what I said earlier about the overseas agents being here, Australia is very much focused - and Tasmania is joining in on that - on some of the emerging countries such as Brazil, the Czech Republic, Hungary and Slovakia.

Mr WING - And Colombia, I think?

Ms WRIEDT - To a small extent, yes. Those are areas where there is a great deal of interest. We were pleased in terms of the agents who came here. It was a very diverse group; they were not just from the usual countries we are seeing students from at the moment. There is the potential hopefully in the future to expand the countries we are sourcing students from.

Mr WING - Did those 4 092 students all come to study in Tasmania or were some of them doing courses at associated institutions such as in China?

Ms WRIEDT - No, they are the students who have actually come here. You would not see the figures in there, say, for Bange College where the students are studying TAFE Tasmania curricula, even though TAFE Tasmania staff are going over to deliver a lot of that. We do not count them until the students come out here to enrol on campus.

Mr WING - So that is extra, over and above the students who come here?

Ms WRIEDT - Yes.

Mr WING - How many students are we catering for in their own countries at institutions run by Tasmanian educational organisations?

Ms WRIEDT - We do not hold those figures; we would have to get them directly from the institutions - predominantly TAFE Tasmania and the university. As I said, we know TAFE Tasmania's relationship with Bange College is a great source. From memory, of the students I met when I was there at the graduation last year, I think about 40 or 50 students were taking part in that. The university is apparently doing a lot of offshore delivery in China but we would have to get the exact figures for you on that.

Mr WING - So is that part of your department's marketing program, to attract students to the courses provided by UTas in China, or is that separate from you?

Ms WRIEDT - No, they do their own marketing but we have involvement with them through the Tasmanian Education Alliance, which we support, and they will join with us on those sorts of things. We make them aware when we are going off to different events. Sometimes they send

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people along as well, at other times they do not. They still do their own specific marketing. We do the marketing for TAFE Tasmania and government schools. The other areas join with us in the alliance in that way, so there are joint publications, but that does not prohibit them from doing their own.

Mr WING - Do you regard as important the way we look after international students here, in terms of giving an advantage in marketing? Do you see your department's role not ending with the marketing attracting students here but also in ensuring that they are well catered for here?

Ms WRIEDT - I guess the defined role of Economic Development and Tourism in relation to international students is in attracting them here in those marketing efforts and working on that. As for the students when they are on the ground, that is really the responsibility of the institutions they are enrolled in. The government school sector has an international education unit that would look after those students when they are here in terms of their pastoral care and that sort of thing. Likewise, TAFE Tasmania has the same, and they become the responsibility of the institutions. Certainly there is interaction that occurs between the staff within Alan's area and all of those institutions to make sure that we are aware of what the services are that they provide and, importantly, so that the expectations we are marketing can be met when they are actually on the ground.

Mr WING - Do you recall a volunteer body called the Council for International Student Support?

Ms WRIEDT - I do, because we have been having this discussion since I have been minister; in fact, I think it was the very first issue you raised with me when I first became Minister for Education.

Mr WING - That's right.

Ms WRIEDT - I remember you chastised me greatly for not being able to provide any further funding to it.

Mr WING - And not responding. Do you see a role for such a organisation now and if it could be established, would your department see it as having a role in providing some funding? An amount of \$10 000 was all that was sought and not provided, so that body had to fold and it was providing very good services helping international students and their families settle in in a number of respects.

Ms WRIEDT - I would say it sounds like an ideal initiative for the Department of Education to be supporting perhaps, and they have a far bigger budget than we do.

CHAIR - Or the Treasurer's Reserve, Minister.

Ms WRIEDT - Well, that would be a matter for the Treasurer.

Mr WING - It was from the Department of Education that we sought the finance to prevent it folding and we did not receive any response.

Ms WRIEDT - I know, but in the first few years that I had the Education budget it was only around \$650 million and it has topped \$1 billion dollars now, so I reckon you should go back for

another try. I am going to be in a lot of trouble from the Minister for Education for that one, I can tell you.

Laughter.

Mr WING - Just one further point on the international students. There is a difficulty in students finding accommodation here. I do not know whether you see it as a role of your department to encourage investment in student accommodation. Our select committee on international students which reported about six years ago saw that as a good business opportunity but we did not have the finance to go into it.

Ms WRIEDT - I know that when I was Education minister this was something that there was a lot of discussion with the university about in particular, because the younger students who are coming out here to high school will be hosted by families predominantly because, particularly when you are talking about grades 7 and 8 students, it is not appropriate for them to live in any sort of independent accommodation and their parents are a lot happier if they can be hosted. Norm can provide some more information for you.

Mr McILFATRICK - There are a few areas where we touch on that subject in the university partnership with the government and I think it is quite unique in Australia for a university to have a direct partnership. We meet regularly, at least quarterly, with the university and heads of agencies, and that issue has been tabled. The university sold off some of its housing stock some time ago but with a caveat that they would still be used for student housing. But in talking to developers around town - and Hobart in particular has had a lot of development - I know a couple of developers who are very interested in building and have student accommodation on their plans, probably as part of multipurpose developments, particularly around Sandy Bay. I know of one in particular in King Street that is quite well developed which would have student accommodation and possibly other retail uses. So it is in the headlights of the developers because of the demand and as soon as there is a high demand then people come in. I know the vice-chancellor is very much engaging with developers as well.

Mr WING - Yes, I think there are good business opportunities there.

Mr McILFATRICK - It is a small development community in Tasmania so we generally know what people are thinking, and it is high on their radar.

Mr DEAN - There is one in Launceston already being considered at Mowbray. I do not know how far it has gone but the site is right near the university.

Mr WING - Yes.

Ms WRIEDT - We have quite an active business migrants program and some of the business migrants who have come out here recently are interested in small developments around this area as well.

Mr WING - That is good.

Ms RITCHIE - While we are talking about international exports, I noticed recently that Deputy Prime Minister Julia Gillard indicated that educational products are our third-greatest export to China and India and I wonder if that rings true for Tasmania. In answering that

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question, perhaps you could give us an overview of how we are performing in terms of Tasmania's exports more broadly as well.

Ms WRIEDT - All our export figures are expressed by commodity, and education is not one of them. I guess part of that problem, as I indicated earlier, is that the university would hold the figures of the numbers of students they are teaching in overseas countries, either online or through direct delivery over there. We can get the figures for TAFE Tasmania and we will certainly endeavour to get some for education from the university, but until such time as we have those, we would not know where they would sit.

Ms RITCHIE - I am happy to take that on notice for later. I just wondered how the other export markets stack up in terms of their rankings for Tasmania.

Mr McILFATRICK - I could give you a guesstimate. Our total exports are worth around about \$4 billion and we estimate that international education is worth about \$70 million, so it is a substantial export, but it would not be our third-greatest export because we have a very high commodity sector here, similar to WA. But \$70 million is the value we believe that students bring, but in terms of breakdown and which countries contribute, that is a little more difficult.

Mr FINCH - Minister, we read in the *Age* yesterday of a forecast by Access Economics of an export boom next year. It includes mining, of course, but also farm produce. I am wondering what additional measures the State Government can pursue to make sure that Tasmania participates in the predicted boom.

Ms WRIEDT - I think we already have a number of programs within the department that are designed to assist companies to become more export-ready, most particularly EMAP, the Export Market Acceleration Program, that works with individual companies to increase their international marketing activities. Some of them do not have the skills or the knowledge as to how to do that. They may have a very good product that is export-ready but not know how to translate that into penetrating export markets. Some of the businesses that take part in that program may already be engaged in either national sales or export sales. They have potential to grow those, so it is either new ones that are emerging or ones that are ready exporting in a small way and we work with those to provide them with targeted market research for the markets that they want to expand to. We give them some financial support to engage a marketing manager. We give them advice in relation to export market planning, particularly if it is a seasonal product; for example, if they are in the stone fruit industry and they can benefit to a maximum of \$50 000 over two years. It is fairly substantial assistance, particularly if they are a small company.

[10.00 a.m.]

Mr FINCH - How many are in that program, Minister?

Ms WRIEDT - We have had five businesses in that and they have so far generated more than \$2.5 million in export revenue. A couple of those, Minecom Pty Ltd, Tasmanian Quality Foods, Autech Research. Autech is one that I hope most Launceston members would be aware of, Darren Alexander and Autech. I first came across Darren last year at G'Day USA when he won the innovation shoot out in New York and that was a fairly substantial win for him.

Mr DEAN - He has a room right next door to our building.

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Ms WRIEDT - The best way to describe it is a digital visualisation system for the paint industry so instead of going along to the hardware store in the future and getting those tiny little -

Ms Ritchie - Sample pots?

Ms WRIEDT - No, the tiny cards that little kids love to play with. Billions of dollars every year are spent on people taking these things home and trying to work out from something that size that when you put it on your wall whether it is going to look the same and look good. There is existing software which lets you pick your paint colour and then superimpose that on to a picture of a house and see then if you can imagine that it looks like your house. That is impossible to do, but their system enables you to load digital photos of your own house and then superimpose the exact paint colours. It sounds really simple but quite a complex system needed to be put together.

This has gone international and I would say the figure of \$2.5 million in export revenues is probably understated for that group of companies that we have assisted, given the way that Autech has expanded so rapidly in recent years. They are in major hardware chains now in the United States, in China and - I think from memory, the last time I spoke to Darren Alexander only a few months ago - he said he was in about 23 countries around the world, so he spends a great deal of time travelling and that is quite phenomenal. He had the potential. He was lucky we were able to give him some assistance. He had that great win that put the spotlight on his product at this high-profile event in New York and all this is being done out of Launceston.

Mr FINCH - There are five that you are assisting with the export program?

Ms WRIEDT - That we have done so far.

Mr McILFATRICK - In that little space.

Mr FINCH - In that space, yes.

Mr McILFATRICK - The other one is the assistance program which provides for small business, Minister, which is to fill a gap. The Federal program generally deals with much larger businesses so we provide direct export assistance to companies wanting to travel to new markets on a 50:50 basis and that has been quite successful over a number of years, filling a gap that is not otherwise available to our smaller EMAS.

Ms WRIEDT - That is the Exporting Marketing Assistance Scheme. If companies have a substantial base here in Tasmania and we believe there is the potential for them to expand, and if that the activity will result in some economic benefit for the State and if they have chosen a new market for their product and the product or services will be exported here from Tasmania, then we can assist them in getting to trade shows, undertaking overseas sales visits, attending international conferences and hosting inward buyer missions. These are things that particularly small businesses would not have the capacity to do when they are trying to break into export markets. It is a way of saying if you need to go to an international trade show in San Diego or wherever it might be, we can provide some contribution to that.

That scheme began back in 1999-2000; since then we have invested \$1.3 million in it and the value of the initial contracts achieved has been in excess of \$38.4 million. That is a return of over 28 times the investment that we have put in. Last year we assisted 28 small to medium enterprises; that program will continue and we work very closely with Austrade.

Mr FINCH - Minister, do you feel the department is well placed if other people read this story, exporters, and they see this story in *The Age* and Access Economics talking about the export boom? The question I have is: if they come to the department and say there might be some opportunities here for me, are you confident that your department will handle that efficaciously and that people will be encouraged to investigate and come on board?

Ms WRIEDT - Yes, provided they provide us with the proper information. I am aware of a couple of cases where people have approached the department and said 'We want to come and set up what we think will be a major export business in Tasmania and we want the State Government to give us x million dollars. Can you please give me an answer?' They write direct to me and say that. Of course, the response is: we will either get somebody to get in touch with you or could you please provide us some proper information, a sound business proposal so that we can look at it, and someone in the department will assess it and then provide some guidance -

We have just outlined two of the programs we have but there are a range of programs depending on what the business is, so yes, provided we are provided with the appropriate advice we can make sure that we give the correct information and the best guidance that we possibly can to those businesses.

Mr DEAN - I will expand on that in small business development shortly. Where do we see exports going into the near future? Lots of things are happening and marine is one of those big areas, mining is another - and dare I raise the pulp mill? What do you see in the immediate future for exporting from this State? I am looking at a balance of trade import and export and all the rest of that it is out of kilter at the present time.

Ms WRIEDT - Certainly the maritime industry is an area which continues to be the one that the State has had great success with and that we anticipate will in the future; the perception is that the breadth of our maritime industry is just our Incat vessels, but it is much broader than that.

Mr DEAN - So the future is bright there in that area?

Ms WRIEDT - Yes, but in defining the maritime industry I just want to make it clear that it is not just about ship-building. Yes, Incat have been very successful, as have Austal Ships who are now at North West Bay. We continue to work closely with both of those companies. Just in this current financial year Incat have delivered two 112-metre vessels to Japan, in one financial year, with a total of \$250 million dollars. There was a great deal of interest in Japan, because I was over there for the hand-over of that second ship, in the company and in future vessels, so those discussions continue. We also met with the Cliffords in Hong Kong on the way to Japan and they were in active discussions there about some possibilities.

However it is actually broader than that. Liferaft Systems Australia products go to 40 countries in the world and they have some quite lucrative new contracts in the pipeline. There are also a number of companies like Fiomarine, which is developing some new technology which has the defence industry interested. Muir Engineering of course has great traction with hydraulics, so there are a range of companies. Last year we had a Tasmanian stand at the International Workboat show, which is in New Orleans every year. That was actually the first time that Tasmania had gone along to that show. We had Pivot Maritime there, Liferaft Systems, Colbeck & Guntun, and it was all coordinated under the banner of the Tasmanian Maritime Network, which comprises a range of businesses.

Mr DEAN - And the value from that particular show?

Mr CAMPBELL - I cannot give you the exact value from that one but I can tell you that a previous one that the maritime industry attended in Singapore in fact led to orders out of China, so all the major buyers go to these particular shows. It is not only for the particular country that you are in that you have an international exposure. It is of course not necessarily that you get an order on the spot; it is sowing the seed for future opportunities at those expos.

Mr DEAN - Is that funded from your department? Do you facilitate and support that or do the companies wishing to be involved do that themselves?

Ms WRIEDT - It is on a cost-share basis, so the department puts in some money and then those participants that come with us put some money in as well.

Mr McILFATRICK - We may set up the stand and then the company would pay their way to the conference and for their own accommodation. Then they could then apply under the export market incentive scheme for 50 per cent cost recovery. The big advantage of getting a group of half a dozen companies together is that one customer may come to see a particular company and then they are immediately are introduced to five others. It is a very collegiate way of doing it and it has been positive across a lot of industries.

Ms WRIEDT - I have answered part of your question because we talked about the maritime industry. In answer to the next part of your question, given the mining boom, processed metals and ore and concentrates have been major exports for us. We anticipate that will continue. Certainly in the most recent meetings that I have had with Zinifex, for example, they are very optimistic about their future prospects. They will continue to figure very strongly in terms of our exports.

[10.15 a.m.]

In terms the activity of the department, because most of the mining companies are well established and have well-established markets, we do not do a lot of facilitation on their behalf. Something that we do put a lot of effort into is the marketing and development of export markets for our produce, in particular for seafood, beef and wine. We do not have the 2007-08 figures finalised yet but for the previous year there were millions of dollars worth of contracts that the department was facilitating. There were about \$3.2 million worth of contracts for beef and seafood to go to Korea. We had five executive chefs from Hong Kong touring the State in February. They are from the top hotels in Hong Kong - Swiss, New Zealand, French. They have gone back to Hong Kong and they now have on their menus petunia trout, Tasmanian salmon and Tasmanian wines. They have become fantastic ambassadors, not only for the products but also for our State. The produce continues to be recognised and associated with the brand of Tasmania, representing clean high-quality, worth paying a premium price for and people will do that in those markets.

Mr DEAN - The other area was the one I raised on the pump mill. What have you done on that? What has been your involvement there in pulp exports?

Mr McILFATRICK - We keep an eye on a range of commodity prices to see whether those commodities are on the up or the down. Pulp and woodchip prices have been quite high recently and have stayed quite high.

Mr DEAN - I was going to ask the minister about woodchips as well.

Mr McILFATRICK - They represent a large wood product and in particular paper. Woodchips and finished timbers products represent a large proportion of our exports.

Mr DEAN - Is that market building for wood products?

Mr McILFATRICK - It has built over the last few years because we have started to export the rotary veneer timber into Malaysia from the Huon. It will build further when the Smithton plant comes on line, which is the peeled veneer done by Ta Ann. So there is a new plant in the south and there will be another plant in the north, so that will be an value-added product leaving Tasmania.

Mr DEAN - Is that a stable market? Where do you see that going into the future?

Ms WRIEDT - It is fairly stable.

Mr DEAN - I ask the question because Tasmanian timbers and mainland timbers are being grown in Brazil, Chile and those countries now and being grown very well.

Ms WRIEDT - Every indication is that it will continue to be a stable market. Obviously we would like to see, if the pulp mill goes ahead, some of that downstream processing done in Tasmania rather than offshore. It is one of the major reasons we are hopeful about the pulp mill proceeding.

Mr DEAN - I mentioned ACL in Launceston. They have an export product and they provide to Holden and so on. What does your department do to try to ensure that they have a sale for their product? Have you done anything at all?

Ms WRIEDT - I think we made the point in early April when we provided the assistance package along with the Australian Government to ACL. The reason both governments were prepared to assist there is because ACL is the only Australian manufacturer of a particular part that goes into cars made in Australia. There is only approximately a five-day supply of those parts, so if ACL stops producing them the entire car industry in Australia will cease manufacturing within five days. We did have some nervousness, as did the car companies, about the situation that the company found themselves in as a result of one of their sister companies - National Parts - going into receivership. We had been very active, particularly through Tom Black in the northern office of the department, in working very closely with the company. We have done for some time. It was not just in the lead-up to this. You may recall that last year they went through a period of some difficulty and we assisted them in restructuring the company. They shed about 90 jobs during that period. We are continuing to work with them to try and secure new markets to improve productivity.

The money that the Federal Government provided, the \$2 million, was very clearly aimed at taking the steps that they need to take to restructure in order to give them that long-term sustainability. We were very clear in the assistance that we have provided as well that we wanted to make sure that that money would go, in the best way it possibly could, to seeing the company still operating there in the future. The only alternative to these parts is cheap Chinese imports, which have come into the country from time to time but have not been found to be anywhere near

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the quality in terms of workmanship or materials. Obviously to put an inferior part into a car can have some serious consequences. We have worked very closely with them. It really is now up to the company to implement the changes that are required. I know they have also had assistance from the three major car companies in Australia because obviously it is in their interests to get an ongoing supply. We are confident that, given that we were able to put that package together in a fairly timely way, the company can do what is necessary to remain in operation in Launceston.

Mr DEAN - I was going to ask a question in relation to water sales, exports or what have you. There has been discussion of the possibility of water being exported or sold.

Ms WRIEDT - I think Bob Hawke wanted to buy our water, and we said no.

Mr DEAN - So nothing there. Do you see the area of exports as looking good?

Ms WRIEDT - Absolutely. Particularly in some emerging areas. We know our key areas at the moment but there are also things related to the ICT industry - like ORTEC software. We have Learning Edge, which has been a very successful education software program that has gone around the world. That is really just the start for those sorts of products and innovations, like the new more environmentally friendly traffic lights that are now going to be in 273 locations across Tasmania. They are a small company located at the Technopark at Glenorchy who have been assisted by the department through our Springboard program. That product has the potential to be picked up right around the world. There are these innovative programs that I think that we can expect to see in the future.

CHAIR - Do you know the timeframe for the Ta Ann development at Smithton?

McILFATRICK - It is proposed to come into production this year. I have not had an update recently on progress. Certainly the southern forest one is well into production and exporting already. So I believe the schedule would see an introduction this year but I would need to check with the company on that for an update.

CHAIR - Can we get that time frame?

Ms WRIEDT - As I understand it, it is fairly well advanced in construction I will be going to visit there when the community forum meets in Smithton on 13 July and there is already quite a lot to see in terms of the stage of construction.

Mr WING - Minister, I think it was in about 1999 your department, I assume, produced a publication setting out details of exports. Is there a current one of similar effect?

Ms WRIEDT - Yes.

Mr WING - Is it possible to have a copy?

Ms WRIEDT - Yes.

Mr WING - Thank you because that sets out, very clearly, full details of each one.

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Ms WRIEDT - We have become more environmentally conscious and we do not have them in colour anymore, we do them in black and white. But if you are very nice to us we will provide them in colour to make it easier to read.

Mr WING - I do not want to upset the environment. But if it can be done without significant damage I would appreciate that.

Laughter.

Ms WRIEDT - I will let you make that judgment.

Mrs JAMIESON - Are they available on the web, just as a matter of interest?

Mr CAMPBELL - The detail at the back here, the specific country details - that is on our web site of our department; the graphs, no, but we can forward those.

Mrs JAMIESON - We have the hard copy, thank you.

Mr WING - I would like to know whether the Government and/or the department regard Tasmania's participation in international trade exhibitions has been worthwhile or important?

Ms WRIEDT - Yes, but it very much depends on what they are. It is very hard to give a blanket answer and say, yes, we support all trade missions. There would be a number of criteria they would need to satisfy. They would need to be geographically in markets that have export potential for us or they would need to be in areas such as the marine industry or food and beverage sector and there is benefit in Tasmania attending. We support a range of trade missions every year with stands that are coordinated by the department or, as I indicated earlier, we can provide up to 50 per cent support for small to medium size enterprises to attend those trade mission and mount displays of their own. We are quite active at the moment in relation to business and skilled migration, so we have been to a number of expositions in relation to that in, for example, South Africa and we had our Tasmanian stand there.

In the last financial year we went to several and there were four companies that banded together in a Tasmanian grouping at Medinfo 2007 in Brisbane. Fourteen wine companies were represented at a wine tasting workshop in Melbourne with the Victorian Sommeliers Association. A number of companies went to an information technology in aged care conference in Melbourne and two of them have sales in excess of \$1 million as a result. Four companies went to Workboat International USA and had quite good outcomes. Thirteen companies were showcased to buyers of a Korean supermarket, Lottie Mart, in February of this year and there were sales of \$1.5 million reported. Seven companies went to the Pacific 2008 Expo. That brings together major international maritime, naval and defence related personnel from around the world. There was strong interest in a number of the marine-related areas that I spoke about earlier. Fine Food Brisbane in March, Fine Food Australia exhibition in Sydney - 10 companies. Fourteen companies took part in a number of events related to G'Day USA and also the Fancy Food Show in San Diego, which was held in conjunction with G'Day USA.

[10.30 a.m.]

When I attended G'Day USA last year, which was the first time Tasmania took part, the thing that we had absolutely over every other State and Territory there was that Tasmania took a united approach and we were the only State, surprisingly, to do so. We had pride of place at the back of

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the room under this magnificent banner that said 'Cool food from wild places' and we had all our products represented along the back row.

Everybody had to walk past that to get to everyone else and their products of every other State were just randomly positioned, so you had South Australian mountain bread next to a product from Sydney next to something from Queensland; they were all scattered around, yet we gave out that tourism message and a message of professionalism and wow. It had that impact.

Mr DEAN- The wow factor.

Ms WRIEDT - It did. It had the wow factor; it was talked about and the really interesting feedback we got was that, given it was our first year, Tasmania had done really well. I am getting into the tourism area now but we did well because we went into this with a whole of government approach.

It was not just tourism: it was economic development; the university was with us; TAFE was represented; so were Screen Tasmania, and primary industries because of the devil facial tumour disease and so we really were able to get the spotlight constantly on us and we made sure when we hosted functions that we had Tasmanian food and wine; it was very successful.

Mr WING - That sounds very good. Are there any results flowing from that so far?

Ms WRIEDT - This year I am not aware of any from the food shows. I know last year contracts for Tasmanian rainwater were secured and also -

Mr DEAN - There you go, there is the water. There is the water, I raised water.

Ms WRIEDT - No, we are not going to sell any to Bob.

Mr WING - But it is good to have that exposure, isn't it?

Ms WRIEDT - Absolutely.

Mr WING - To put Tasmania on the map.

Ms WRIEDT - I will ask Alan to talk about this year because I was not at the one in January this year.

Mr CAMPBELL - Yes, there have been results. The exhibitors there are small category companies but it did include Boags Beer through their United States importers from New York and Los Angeles and their sales continued to grow, so the show was an ideal opportunity to meet new buyers. The Tasmanian Rain Company, for instance, have met at that show a very large distributor from Florida, I think, and are in discussions about supplying product to them. They are also supplying the Trump International Hotel in New York with the complimentary bottles that you get in the room. They are talking to one in California as well and those have come out of participation in that show. Most of the companies have had some success in meeting buyers and pursuing those opportunities.

Mr WING - That is very pleasing to hear and it just shows the potential that arises from Tasmania participating and in the light of that I am very surprised and I was disappointed at the

time when Tasmania was not represented and the only State in Australia that did not participate in the trade exhibition in Japan about three years ago. I did make some efforts with my colleague, Mr Finch, and others to have some musicians from Tasmania attend there. Unfortunately we did not get any help from your department although we sought it in terms of information and participation.

Ms WRIEDT - Technically they were not my department three years ago. They were the former Premier's, but keep going. Do not let that stop you.

Mr WING - I see. Well, we did not get help from the department and we did not participate. A number of us raised money to send five artists from Tasmania. They were so popular that the Federal authorities in Canberra who were participating in this arranged for two young people to go back with all expenses paid - Ben Austin, aged 15 and Tom Ward, a guitarist, both brilliant - and they represented Tasmania together with John de Jong and Di Britta, who went on the first occasion only because a group of individuals raised the money. It was very disappointing that Tasmania was not represented there, quite apart from the musicians but also in terms of trade, for all the reasons that it was beneficial for Tasmania to be represented in New York.

Mr DEAN - They were even given a piano as a result of that.

Ms WRIEDT - Far be it from this committee to delve back to something three years ago, but I do not know whether Mr Campbell wants to make comment in relation to that.

Mr CAMPBELL - I can, Minister. On the trade side of things we did consider the Aichi World Expo and decided to go with the Austrade program that had been developed at that exhibition, and that was focused on particular sectors with Austrade and I think the Federal ministers of the time for the respective portfolios leading trade missions in that specified area. So there was one on automotives, one on food and beverages and two or three others. Of course we canvassed with industry here to determine their interest in participating in it and industry decided that they were not interested but I did notice that in the Austrade programs, which is a Federal Government organisation and in fact, part of the Department of Foreign Affairs and Trade, that they only had one day in Aichi and the rest of the proposed missions were in Tokyo and Osaka. So from a commercial point of view some of the companies saw that it was interesting to visit but they did not see Aichi as the real location for them to undertake commercial activities.

Mr WING - Right. I seem to have had association with the failures in terms of trade.

Laughter.

Ms WRIEDT - Do you think that tells you something? No, it's all right, I was just joking.

Mr WING - Well, no; I had no capacity. I probably had knowledge of the failures but I am pleased to hear of the success stories there but I think we can be doing better because on 9 November 2006 a representative of Jeju special self-governing council in South Korea wrote to a member of the department and, inter alia, said:

'Taking this opportunity I would like to bring your attention to an important event to be held in Jeju next year. Approximately 1 000 participants from about 100 countries will gather in the island of Jeju to attend the second Uniting Cities and Local Government World Congress during the period from October 28-31

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2007. I expect the congress to be a good opportunity for other cities worldwide to build friendship and promote partnership. We would be more than delighted to see Tasmania's participation in the global event and I am hoping to have chances to discuss ways to boost co-operation between Jeju and Tasmania. Thank you very much.'

So there was a prompt reply on 29 November from a senior officer of the department saying:

'Thank you for your letter of 9 November. The Chief Executive Officer and I plan to travel to your part of the world early next year at which time our intention is to visit you in Jeju City to discuss exchange opportunities. I will contact you as soon as dates for the visit have been finalised.'

Well, they haven't ever been finalised. I was on Jeju Island in July and August last year and they had not heard anything more, either from this officer or the department. There were two aspects of this which concern me. That is one of them. The other one was that even though Jeju Island is in South Korea, the letter was sent to China. I was going to China after visiting Jeju and I offered to look around for them. I said, 'I will see if I could find that officer there, he might be trying to find you in Beijing'. So, nothing.

Ms WRIEDT - It obviously got there, though.

Mr WING - Yes, at best.

Ms WRIEDT - Excellent.

Mr WING - Somebody had more ingenuity than the writer and it got there but it is disappointing that that was not followed up. We have had a visit from Jeju people since then but that was organised not by your department, although it helped very much after others made the initial arrangements, and we appreciate that. There was a similar experience when a delegation of six members of our Parliament went to Fujian Province.

Ms WRIEDT - Sorry, can we just address the Jeju issue?

Mr WING - Yes, sure.

Mr McILFATRICK - Jeju Island is an island in Korea, obviously. We did follow up with a visit to Korea; it is an important trading partner and that was in collaboration with the Tasmanian Chamber of Commerce and Industry. What we often do on these visits is take advice from Austrade and the embassy about where the best benefit in relationships are with particular countries and in this case we visited Busan, which is a city of about three million people and which, on advice, we felt was the best relationship to have for commerce reasons between the State and Korea. We have since followed up relationships with a lot of supermarkets and others.

We have had correspondence with Jeju Island but we did not visit at that time.

Mr WING - The correspondence has been recent, hasn't it -

Mr McILFATRICK - Yes.

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Mr WING - surrounding the visit of 16 members from Jeju Island here about three or four weeks ago. But there was a whole period of many months -

Mr McILFATRICK - I will have to check the correspondence because I am not sure that is the only correspondence we have had.

Mr WING - This is the only correspondence they had until this recent trip was being organised, and I am happy to make this letter available.

In October-November 2000, six members of this Parliament went on a delegation to Shanghai and the Fujian Province - our sister State province - and we were very disappointed to discover that 12 months previously an officer had written offering to provide one or two stands at the Chinese exposition and had not received any response from the department. We also visited the major television station in Xiamen and found the managing director had written to the department a year before offering to have a two-hour feature film made in Tasmania to be shown over the whole of China in two segments and asking if it could be possible to have a number of people accommodated here - I think 30 or maybe more - for several months while that was being made. He said that was negotiable but 12 months down the track had not even received an acknowledgment. I just wonder if these are isolated events or whether there is a chapter of other similar situations that are known to the department.

Ms WRIEDT - It is very difficult for me to make comment on events that occurred in 1999 and 2000 -

Mr WING - Yes, you were not minister then.

Ms WRIEDT - and, indeed, I do not know that it is the domain of this committee to go back in history so far. I thought we were trying to examine the Estimates of the department for this point in time and the activities that have been undertaken in the last 12 months. So, one, I was not the minister at the time and, two, back then Norm was not the CEO of the department, so it would be very difficult for us to go back in history like that. I can say that there has been some activity in Fujian in the last financial year and the department had some presence at an international investment fair held there that had a focus on securing investment in Tasmania in the mining resources and energy sector. So there is active dialogue that occurs with the Fujian foreign affairs office should commercial opportunities arise but, at this stage, there has not been any definitive activity that has been identified for the coming financial year.

As far as I am aware, the exports to Fujian Province have been negligible, despite the fact that China - and Hong Kong as the gateway - is our largest merchandise export market. We continue to have through various mechanisms, particularly through the parliamentary group, a healthy relationship with the region. It is just unfortunate that there have not been markets that have opened up for us there, despite what I think is a fair amount of effort.

[10.45 a.m.]

CHAIR - Before we go on, I just want to remind the minister and members that I am going to have to put the clock on if we do not smarten up our answers and questions.

Mr McILFATRICK - I guess the three incidents you brought up are concerning to me, but I would like to on record here to say that the overwhelming feedback I get from embassies and Austrade officers around the world, our trade partners and from the people we take on board on

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trade missions, is that our people do a marvellous job. I am concerned about those three instances but they do not detract from the fact that we have a very positive team who are valued highly by the community we deal in.

Mr WING - I am pleased to hear that. I have had very limited experience with your department but it just seems that most of those have been unsatisfactory.

Ms WRIEDT - I have had extensive experience with my department and all of the interactions I have had have been satisfactory.

Mr WING - But you didn't know about these matters, and I hope there are not others.

Ms WRIEDT - But they did not occur under my watch, you see.

Mr WING - I was very pleased to read in the media recently where somebody is coming to Tasmania to make a film. I think we have great potential there and I hope that the Government and the department would agree with that. With its spectacular and varied scenery, I think Tasmania lends itself to such projects. Are we doing anything to actively promote that?

Ms WRIEDT - We are, and when we come to output group 1.6 I will have to have the clock put on me for that one.

Laughter.

CHAIR - And there will be a clock on after morning tea.

Mr WING - I also just want to say how much appreciated the assistance and involvement your department, and Mr McIlpatrick in particular, has with the Tasmanian Leaders Program, which has great potential to benefit Tasmania in many ways.

CHAIR - And they are coming to visit the Parliament tomorrow.

Ms WRIEDT - I must say I am very disappointed because I was meant to speak to them on Friday and I have to go to an innovations ministers meeting in Canberra.

CHAIR - You might like to visit them tomorrow in the Parliament.

Ms WRIEDT - I visited them last year at a dinner they were at across the road at the Customs House Hotel when I was there at another function. I caught them rather late in the evening and they gave me some honest feedback but they are a very good group.

Mrs JAMIESON - Does the cost recovery for trade shows and what-have-you depend upon the success of the actual show?

Ms WRIEDT - No.

Mrs JAMIESON - How do you promote the fact that there is cost recovery available for people who participate in trade shows?

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Ms WRIEDT - It is not cost-recovery, it is for businesses that apply through the program that I talked about earlier, the Export Market Assistance program. It is a grant that they would apply for in advance.

Mrs JAMIESON - How many projects are currently being developed? You have mentioned IT programs, but are there any other projects at all being developed as initiatives through your department and could we have a list of them? You mentioned some IT ones earlier.

Ms WRIEDT - Sorry, what do you mean by 'programs'?

Mrs JAMIESON - Projects of any sort that are initiatives coming out of your department. You mentioned some of the IT ones earlier, such as Learning Edge.

Ms WRIEDT - They are Tasmanian businesses that we have some sort of relationship with because we support them through various programs that they have applied for assistance through.

Mrs JAMIESON - Are there any others other than the IT ones?

Ms WRIEDT - Absolutely, hundreds and hundreds.

Mrs JAMIESON - It would be interesting to have a list of them. Could you table that?

Ms WRIEDT - Yes, I will endeavour to do that, as best we can.

Mrs JAMIESON - I appreciate that, because it helps us when we are trying to help other people in the community.

Ms WRIEDT - What you are seeking is a list of companies that we have provided assistance to through the export programs.

Mrs JAMIESON - Yes, that is right and any of those specific initiatives.

Ms WRIEDT - On that, it is interesting once again because I know we have a very northern based -

CHAIR - No, we have a view of the State.

Ms WRIEDT - I know, a statewide perspective but northern based.

Mr WING - I agree.

Ms WRIEDT - There is a Launceston company, Durapost Australia Pty Ltd, and they for the last eight years have been manufacturing guide posts for roads and at the end of the last year with support from the department and through that export marketing assistance program that I mentioned earlier, they went to Malaysia to meet with local importers and contractors and they have now been successful in making their first commercial sale into Malaysia. They have also just gone to something in New Orleans and there is potential for them to have a relationship there. That is another example of a relatively small Tasmanian company that has potential in a niche area to go right around the world.

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Mrs JAMIESON - How many consultants outside of the department might have been used in the last 12 months and can you specify any big ticket items that they might have been involved in?

Ms WRIEDT - We can take that on notice provide the list of consultants and whether they were Tasmanian or Australian.

Mrs JAMIESON - It was noted last year that you had 268 staff who were employed and that that was a full complement. Have there been any significant changes to your staffing levels this year?

Ms WRIEDT - Yes, because of the restructuring of the department to incorporate Tourism Tasmania. Previously, those figures would have only been Economic Development staff and we have the staff that have come over from Tourism Tasmania. We have almost - you would not say doubled in size - but we are probably two-thirds again of what we were; we can get those exact figures for you. Then we lost the Waterfront Authority during the year, too, so there will be some small shifts because they went to the Department of Infrastructure in February. We will provide that.

CHAIR - Were there any redundancies in that restructuring, Minister?

Ms WRIEDT - No. It was not a restructure of the department. It was just bringing over Tourism Tasmania.

CHAIR - I thought there could have been some areas that might have had some doubling up, so to speak.

Ms WRIEDT - No. For example, the IT functions of Tourism Tasmania were carried out by the broader Department of Tourism, Arts and Environment, so we brought six IT staff from central IT over with us; the HR and corporate support functions were carried out in the broader DTAE, so there was no doubling up. Tourism Tasmania just came across with their staff.

CHAIR - I know that you have talked about some of the overseas trips that your department participated in - the trade fairs. Can we have a list of all those overseas trips that were taken by the department?

Mr McILFATRICK - Not just trade fairs, you mean?

CHAIR - Yes.

Mrs JAMIESON - And any significant initiatives that might have come from those trips?

Mr McILFATRICK - We can certainly list the trips and the purpose of the trips.

CHAIR - I would appreciate it. Mr Dean you had final question on this output group before we break for morning tea.

Mr DEAN - Before I ask that question, I asked a question about exports, Minister, and what was on the horizon for exports and what we were doing but the more we go into it the more we

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tease out of you some of those export opportunities and the member for Mersey just teased one out of you there.

Ms WRIEDT - I am not teasing you. That will come later in the day as I get tired.

Mr DEAN - I am wondering whether you have a document that you are able to table on the exports that are currently occurring that we are looking at so that we can be familiar with what is happening, not just piecemeal, which is what is currently happening.

Mr McILFATRICK - There are a whole range of documents for each sector really but I think Mr Wing asked for the profile of exports and I think that will be provided.

Mr DEAN - I think that probably covers that point.

Ms WRIEDT - You are after of the specific examples, are you?

Mr DEAN - I think that is what I wanted to know.

Mr WING - Similar to mine.

Ms WRIEDT - That is -

Mr DEAN - I wanted to know what some of the products were. We have the one now in the guide post one we need to know that.

Ms WRIEDT - I found out the other day that we export 80 per cent of the poppy seeds that go on to New York bagels here in Tasmania.

Mr McILFATRICK - Minister, could I suggest this is very difficult to do in just handing over material but I am quite prepared as a follow-up to invite you over and give you an overview of what we are doing in exporting because I think it would be valuable.

Mrs JAMIESON - That would be most welcome.

Ms WRIEDT - Adding to that I think the other thing that would be something, that taking on the portfolio recently, I did we would be more than happy for members in their relevant areas to sit down with our regional managers - Tom Black in the north. Tom took me on a very good familiarisation tour around the north recently based on businesses either that we had assisted like James Nelson Textiles that had been through a period of difficulty and we did a visit to see how they are coming through that. We did not have time to stop in at Durapost but we drove by it and we drove by a few areas. I always say, with all due respect to everyone who works very hard on briefing notes, that those visits are worth a hundred briefing notes because you get to hear about it and meet the people, and it puts it all into perspective. I feel now that I understand Launceston better than I ever have, which is a big claim, I know, but I now understand a lot more about Launceston.

Mr WING - You now know what you were missing out on before.

Ms WRIEDT - I do. I have it now from an education and training perspective, from heritage, tourism and the arts and now I understand the business scene and the origins of

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Launceston and where it has come from, what has made it tick and the capacity that exists in Launceston which has blown me away with a lot of these products.

Mr WING - How appropriate it is for the AFL team, when you succeed in getting one here, to be based there.

Ms WRIEDT - Excellent. It is funny you should say that because we are going to get to that later.

CHAIR - We will. Brief question, brief answer.

Mr DEAN - There are two questions I want to ask but you touch on the future for James Nelson. It looks quite good, does it?

Ms WRIEDT - It is very positive. They have over half of their looms back up and working which was interesting given that last year when there was advice from one of their financial advisers that they should sell a lot of their looms. They have picked up a number of contracts, they have done substantial restructuring of the business and it is very positive. We continue to have a close relationship with them to make sure that they continue to be able to retain the jobs they have there, but they are certainly feeling a lot more relaxed than they were last year.

We have put in some \$245 000 to assist them through that period and at this stage, it seems to have been a worthwhile investment. They have some new products they showed us that have the capacity to be exported around the world.

Mr DEAN - A very important business in the middle of my electorate. The other one was the Waverley Woollen Mills. Is the future there good?

Ms WRIEDT - Yes, Waverley unfortunately, as you would be aware, in the last year lost their contract with Qantas which was really disappointing because it use to give me a bit of a thrill to see the Waverley symbol on the blankets that they give you on Qantas flights and now they are going to be sourced from overseas.

CHAIR - Minister, I can tell you on Virgin flights there are no blankets.

Ms WRIEDT - I know. So that was very disappointing for them but despite that they are confident about the future and so is the department. Once again, we will be working closely with them because they are the only remaining blanket manufacturer in the country. They have struggled, like a lot of other textile manufactures in recent years, to keep their production on shore. They have new management and owners in place and we have been helping them in the development of a new superfine product range in giving them some advice in relation to the way they package their products and helping them refine the company's brand to really target it. We supported them at a design exhibition in Melbourne in July last year which enabled them to renew their relationship with some of the major department stores and retailers. I think that helped to re-establish their credibility that they had lost while they had gone through that period. There have been come other initiatives, some other trade shows and things we have assisted them with. So we are working very, very closely with them and, I think, like James Nelson, it looks positive as this stage but we continue to keep a very close watching brief on them, and they are in close contact.

[11.00 a.m.]

Mr DEAN - There was some criticism that your area did not do enough to try to retain that service for these people. Are you satisfied that they did all they could with Qantas to get them to retain it? I think the Launceston City Council was fairly critical and wrote directly to Qantas themselves and to other Federal leaders to try to bring pressure to bear on Qantas. Are you satisfied, Minister, that your department did all it could to retain that service? Were subsidies considered?

Ms WRIEDT - From the briefings that I have received, because the Qantas issue predated my carriage of the portfolio, yes, I am satisfied. Norm can perhaps speak further about what they did at the time.

Mr McILFATRICK - It is always very difficult to intervene in a tender process. I spoke to Qantas and they say they go to tender and have cost pressures regarding fuel prices et cetera. It is very disappointing I think for an iconic brand like Qantas to go to a Chinese product. We did not consider a subsidy on that particular item because to subsidise a product to a larger company I do not think would be appropriate. We have given ongoing support to Waverley in terms of a loan we made to them some years ago and based on their ongoing performance we have agreed previously to write off that loan on an annual basis. So far we have written off one-fifth of the loan and, based on feedback from the company, will do so again. So although we have a liability there we will write it off based on performance, and that has been helpful for the company. But in terms of subsidising actual product sales, that would be a difficult thing for us to do.

The committee suspended from 11.02 a.m. to 11.20 a.m.

Mr FINCH - From page 2.6, under 1.1 there is a drop in funds for 2009-10 and 2010-11. I like to see a little bit of a rise there, even if it is CPI. Is there a reason for the lower forward Estimates? We are \$4 140 000 this year.

Mr WING - We covered that.

Mr FINCH - I missed that, okay. The other table in on 2.10. There is a big jump in exports facilitated for 2006-07 to \$190.3 million. There is an explanation in note 3 that it was due to increased activity in the resources and marine manufacturing sectors. What happened or did not happen the following year for the target to drop back \$70 million?

Ms WRIEDT - We only count those items that the department had a significant role in securing the export contracts for. So the big jump reflected the sale of an Incat vessel in which we had played a major role in terms of contacts and helping to facilitate that.

Mr FINCH - Is that the one that went to Japan?

Ms WRIEDT - One of them. In subsequent ferries, for example, if we had not actually played a direct role then we would not count it as one of the things that we had facilitated. So these are for ones that we have had a role in. We are not trying to claim others that we do not, so we are trying to be as honest as we can. If we have played a part then we count it; if we do not then it just gets counted as general exports for the State.

Mr FINCH - Given that, if we look back to 2005-06 it is \$91 million. Have you dropped your targets too low or is that being realistic?

Mr McILFATRICK - We have just looked at table 2.3 and we have put about \$4 million worth of direct effort into export marketing - that is our staff and our expenses. To be able to target \$70 million for that effort is a pretty good multiplier. I guess that you could say we are being conservative but there are some large lumps in there, like the Incat vessel. If I tried to establish \$190 million as a target next year I would need a lot more people. We are just trying to be as reasonable as we can about the effort we put in. That \$70 million is made up of exports but also imports that we replaced. It is just as important for us to have a Tasmanian company substituting something that would have otherwise have been imported as it is to export. I think we got a pretty good result. I am probably tempted to creep the target up and put the pressure on a bit for next year.

Mr FINCH - With the boom coming.

Mr McILFATRICK - That does not say that we expect exports to be reduced; it is just that we are very particular about only claiming a result while we have had a direct effort. That is important from an audit point as well. We just do not chalk up numbers for the sake of them. They are really targeted on the effort.

1.2 Investment attraction and industry development -

CHAIR - Minister, I note in this particular line item there is an increase of about \$2.6 million. Is that all contributed to the Tasmanian brand project? If not, can you tell me how much is attributed to that?

Ms WRIEDT - Some \$2 million is contributed to the brand project in this.

MADAM CHAIR - So the \$0.6 is just a general increase.

Ms WRIEDT - As Simon Barnsley in education used to put it, it is in relation to the ons and offs in the budget. Within that there will be a number of fixed-term programs that end, and other programs that we are starting such as the brand project, so you get an up and down result as part of that. Some \$2 million has been allocated for the brand project in 2008-09.

CHAIR - Can you give us some indication of what the initial program looks like for the Tasmanian brand project?

Ms WRIEDT - Only a broad one. As I indicated to the lower House on Monday, we are in the process of securing a director for the project and hope to be in a position to announce the successful person in the next couple of weeks at the most. Overall, the project has been designed to build on some of the work that has been done already by Tourism Tasmania, by the Vegetable Council in their marketing campaign, and by Brand Tasmania. It builds on that work but also takes a much broader approach to tell a much a bigger story about what we have to offer here. We want to build on the existing reputation that we know is well established, particularly with our exports and so on. We also want to get the message out that Tasmania is a great place to come to and live; it is a great place to study, work, visit and invest in. So it is an holistic message.

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We will get a director or a project manager and they will look at some of the existing activities like the vegetable campaign, the Brand council, some of the marketing efforts that Tourism Tasmania does and see how we can build on those. I view it as getting the message out to the rest of the world and the rest of Australia, but also for Tasmanians to understand. I do not think that a lot of Tasmanians understand the capability that exists here, the sorts of examples that I have given this morning about the poppy seeds on New York bagels.

Mr WING - Exporting tulip bulbs to Holland.

Ms WRIEDT - Tulips to Holland, that is right, from Paul Roberts-Thomson in Wynyard. I do not think we understand as Tasmanians all of those stories, so I would like to think that there is some way we can get that message across. I think this is sometimes the mistake that is made in thinking about branding campaign: it is not just about a marketing campaign or an advertising campaign. Importantly, we will start by doing some research so that we can understand the brand and the things that can build on the existing brand. We imagine that we will working both with the private sector and as across government agencies because most government agencies would have some buy-in to this as well. Then we will identify a clear set of themes across government and industry on which we can build the overall brand. Regarding the specifics, it is really important that when the project manager comes on board they have the opportunity to shape this. I do not want to pre-empt them. There has been a little bit of work done in terms of formulating the budget as to some idea of what we want to do but it will be up to the person who comes on board leading the project to determine that.

[11.30 a.m.]

CHAIR - Will the support staff for that person be supplied by the department? Will there be any additional support staff for that position?

Ms WRIEDT - It is \$8 million over three years, so there will be money built into the program to allow for that. For example, Robert Heazlewood, who works for Brand Tasmania at the moment, currently works from his home office. We want to bring him in to an office within the department. He does not have any executive administrative support at the moment. We want to provide him with some executive administrative support so that he can focus on some other thing and so we are providing him with some additional funding. There would obviously need to be some administrative support provided to the new project manager or director when they come on board as well. Given the size of the project, it may not be able to be done by existing staff, and may involve bringing in some fixed-term staff.

CHAIR - Do you see this as a three-year program that at the end will be bedded down and just flow on and there will be no requirement for that position to exist, or do you see it as continuing project?

Ms WRIEDT - At the moment it has been identified as a fixed-term program. I do not think the question of brand ever stops; it is not a finite thing. But if we are successful in the way that we hope to be in terms of enhancing the brand in the next couple of years with some of the work that will be undertaken and underpinned by the research there will not be that immediacy to put in the same amount of resources in the following years.

CHAIR - Has that base level of research already been undertaken so that you know what your starting point is?

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Ms WRIEDT - Yes, although there is a range of research that we already have in relation to the brand Tourism Tasmania has that the Brand Tasmania Council has done. Indeed, I think we have research DPAC have done as well that we can draw on, so we do not necessarily need to research everything again. But I am advised at the moment that there are some gaps in the research that those with greater expertise in market than I would claim to have identified that we need to look at. Rather than just going in and saying, 'Okay, we will do an advertising campaign or we will do this or that', we need to make sure that we are selling the right message for a start.

CHAIR - Will that extra research be done before the position is in place so that there is that benchmark?

Ms WRIEDT - No, we will be appointing the project director or manager in the next few weeks. We believe that the person who will be leading the project will need to be involved in the scope of the research and they will have expertise in marketing. They will need to advise us on where our gaps are.

CHAIR - So if this committee has the ability to scrutinise next year, will there be an opportunity to provide us with a measurement of how things are going in 12 months' time, or will that be too soon?

Ms WRIEDT - Branding is a longer-term proposition, there is no doubt about that. Because of the nature of branding exercises, quite often you do not see the quantifiable results until later down the track as you get that brand traction, so in that way it could be difficult to identify. But certainly what we will be able to go back and reflect on next year is the work we have done, and I am sure that there would be some feedback readily available by then on some of that activity, depending on what those activities are. Likewise, once we have the director on board and the strategy is finalised, we will be able make announcements in coming months about specific things we will undertake.

CHAIR - Minister, can I take you now to the gas pipeline and ask for an update on how many connections there have been in the gas pipeline project, what the uptake rate has been?

Ms WRIEDT - As of May, we have 5 000 customers connected to gas, and that is bearing in mind that at the end of April 2007 when Powerco finished work on the second stage of the rollout there were over 42 000 premises that were bypassed, so there has been a penetration rate of about 12 per cent of all the properties passed.

CHAIR - That would be under what was estimated to be apparently going to be taken up? Would you consider that that would be well under the projection?

Ms WRIEDT - Yes, I would accept that. I think some commentators expected that there would be a sudden conversion to natural gas appliances - heating and cooking appliances - as soon as the network bypassed their properties, but what we know now is that it is more likely that people will wait until the lifespan of their existing appliances has come to an end or they are doing renovations or building until they think about that.

Mr DEAN - Or electricity bills to go up.

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Ms WRIEDT - They make a judgment about whether it is worth changing now or when they renovate the kitchen in five years' time. Quite often it is a question of waiting until then, so perhaps those sorts of expectations about the excitement of gas being here and the availability were not matched by the reality of people choosing to wait until an appropriate time.

CHAIR - Given that the domestic take-up was very low, what has the department been doing to source industry take-up? I know there has been some industry take-up but obviously there would be potential to grow it more quickly.

Ms WRIEDT - That figure I have given you includes business take-up and comprises 450 industrial or commercial customers. Certainly there has been significant financial benefit to those commercial customers.

Mr McILFATRICK - We have done a few studies into industries that may be attracted by gas. I would have to say at the outset that gas is not an attraction factor in its own right. It is often the lack of gas which stops people coming, so it is a constraint that has now been removed that we now have gas available in the major industrial centres of the State. If a company was thinking of coming here five years ago and gas was not available, that might have been a major disincentive.

We have done a lot of work with some of the northern regional councils looking at intensive agriculture - hothouse-type environments for tomatoes, capsicums, and those sorts of vegetables - because gas provides a very efficient heating source. Northern Tasmania has a very good climate for controlled-environment agriculture anyway because of the stability of temperatures, particularly around the Devonport-Ulverstone-Burnie area, and if you then substitute gas on top of that you have a very good way of growing tomatoes and capsicums et cetera. We are not going out trying to find customers for Powerco, that is their role, but certainly when we promote Tasmania now we acknowledge that gas is available at a commercially attractive rate.

Ms RITCHIE - I know that last year biotech strategies were talked about in this output. I do not know if you want to deal with it in this one or 1.3 now but I just wondered if there has been an update. Last year they did it in 1.2. I presume that was because of its emerging status so I am happy to hold it over until the next one.

CHAIR - I am wondering, Minister, what the department is doing in trying to negotiate a tenant for the Telstra call centre since the Federal Government's pull-out, I guess you could say, or intention not to expand?

Ms WRIEDT - The department was quite active and had been working with Telstra through our northern regional office and Tom Black. I have to say that it came as somewhat of a surprise and disappointment as to how all that developed. As I understand it from my recent visit when we went and had a look at the call centre, there had been some interest expressed through the building owners. The building is owned by a company, Linear Investments, and so any interest that is expressed that the department becomes aware of in relation to the potential use of the building it has put those people in contact with the building owners with a view to taking it over. In the meantime, Telstra are still maintaining the building so it is in some form of fit repair but I am told that there was some possibility because of the success of the Commonwealth Bank call centre that they may be interested. I know there have been some discussions but to date nothing has come of that but we continue to see whether there is anybody we are aware of.

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Madam CHAIR - So you have not really actively gone out and -

Ms WRIEDT - No, they have.

Mr McILFATRICK - We have. Initially we went directly to Telstra and had an engagement with Telstra right up to the managing director level and had their undertaking that they would work closely with us. Unfortunately or fortunately, a saviour came out of that, which was the Centrelink proposal.

In our experience, it takes about 12 to 18 months to even get a call centre operator interested in locating or relocating, and we are always doing that so we are looking for call centre operators and back-office operations because of the mature market we have here for that. We have been actively talking to parties we know may be interested in locating here, and there are a number of them, but they are going to take their own time to commit. Unfortunately, the easy solution of Centrelink coming here has evaporated and that is disappointing.

We have worked with the building owner and they are putting forward some very favourable terms for a new tenant that comes on board, and that is often important because you have costs upfront and if you can offset them for a few years that is a good thing. So I am confident that we will get a tenant for that building, but we have just been put back 12 months because of the opportunity lost with Centrelink.

CHAIR - Have you thought about refurbishing it for affordable housing?

Mr McILFATRICK - No.

CHAIR - Student accommodation?

Mr McILFATRICK - I am not being flippant here but the Launceston City Council and the State have agreed previously when the technology park was established that there was a purpose for that building and it had to be used either by a technology company or a business operating in a call centre environment, so it is a specific-purpose environment. We relaxed that once to allow a child-care centre in there but I think we will be giving away a major advantage by broadening it. I do not think it would be appropriate for community housing.

CHAIR - One of my colleagues in another place would have expected me to ask that.

Ms WRIEDT - It is disappointing that it closed and I guess the difficulty in re-establishment is that there is not that ready work force there now because the majority of those Telstra call centre employees found alternative jobs, so it is not as if we can say to any prospective business owner who wants to establish a call centre that there are 50 or 60 people or however many people who can begin work immediately because sometimes those people have gone on to other careers. That is unfortunate and hopefully somebody will come along in the future and there will be people who are available to take on those jobs.

[11.45 a.m.]

Mr DEAN - In the area of investment attraction you referred to, are there any specific areas that you are concentrating on, Minister?

Mr McILFATRICK - Broadly, the advantages Tasmania has remain; we have a very stable work force. We do not necessarily have lower wages now and that is not where we would like to be anyway. But a lot of the work we have been doing is with local councils to identify where development land and opportunities may be and then to steer the right opportunity their way.

Our focus still remains on the IT sector. I think that Tasmania has a huge opportunity in the future with their secure data repository, building on our advantage around call centres and back office. We have large back office operations here and we have seen at least in the last year two major companies interested in putting their data in Tasmania. Now they may have their call centre in India and the transactions are done but they want their data to be somewhere secure. So I think that is a growing area for investment.

The retail sector in Tasmania has been one where there has been a lot activity due to the buoyant economy that we have seen people wanting to build nationally competitive retail spaces in Tasmania, both in the north and the south.

But we are still broadly targeting around where our advantages are. One of the trends is to get international companies to couple up with a Tasmanian operation and invest in that operation. Alliance Mine is one with a Chinese company investing and I mentioned before the forestry company, Ta Ann, based in Malaysia but making a \$60 million capital investment here based on our resources; they will be building, and I think we are seeing more of those. There is much more openness now for Asian and, particularly, Chinese companies to take their money into the State rather than just extract the resource.

Mrs JAMIESON - Just one quick one. I was wondering, Minister, can your department do anything to progress the facilitation of fibre optic and broadband because we are trying to encourage business to come here and we are so dependent on IT these days, I am wondering what your department can do?

Ms WRIEDT - We are involved in a number of initiatives specifically under this output group. We have a Tasmanian broadband development program that was established in last year's Budget that we fund to the tune of \$100 000 a year and that was set up through some funding from an ESIF allocation. Under that was an Australian Government initiative called Clever Networks and they provide matching funding so that we can have a dedicated manager to oversee the program.

The idea of that is to work with local governments across the State to leverage any capital works programs that take place to allow the laying of fibre optic cable in conjunction with those programs, particularly in areas where they have previously been overlooked by either Federal or State initiatives in laying optic fibre on the ground here. That area is focused on the further development of optic fibre within the State.

We have been on the periphery of Basslink because the negotiations have been undertaken by Treasury and finance, and more recently by Aurora. But we have supported them in terms of ensuring that this is an issue that we continue to push because it is significant to small businesses, in particular, and those people who operate small businesses from a home environment where they only have a dial-up connection which is very slow and not cost-effective at all.

I had a small business operator in my office the other day from the Kingston area. She runs a business where she exports to the mainland and, even though she is in Kingston, which you would

think would be an area in which she could, she cannot get broadband so she relies on dial-up and it is so clogged up she has to get up at 5 a.m. to process her orders and other things at non-peak times. So there is a lot of frustration there but that is predominantly been run by Treasury and Finance and can I just say that we share the frustration of business owners and by individuals about the inability to progress this matter.

Mrs JAMIESON - Given that we have had a change of Federal government, is the dollar value still going to be available to Tasmania as follow-up grants at all?

Ms WRIEDT - Under what? The program that I mentioned? Yes, the program that I mentioned is ongoing, that is the Clever Networks Initiative. Because of the change in Federal Government, there was a previous program called Opal, which no longer exists and there is a new one that the Government has indicated that it would like to participate in - to look at some regional solutions to the issue and we are pursuing that with them at the moment.

Ms RITCHIE - My question relates to the concern that we all might share in relation to our ability to attract and retain young people in the primary industry sector and farming, in particular. I am just wondering if you can give the committee some information about what your Department is doing. I have read about the young farmers' rebate scheme. Can you give us some information in relation to that scheme?

Ms WRIEDT - Yes.

CHAIR - A vested interest there, Ms Ritchie?

Ms RITCHIE - No, I do not know if I am classified as a young farmer these days - I am a bit too old now.

Ms WRIEDT - And 40 is the new 30 so anyway -

Ms RITCHIE - Thanks for that.

Ms WRIEDT - I say that because I turn 40 this year, so I keep telling myself that out loud. We are entering into the final year of the scheme. It was going to go into 2009-10, however the department sought some approval from Treasury and Finance to bring forward the grants round that was going to be given in 2009-10 into 2008-09 because the grants run for two years from the signing date but generally signings in each round do not occur until the first or second quarter of the new financial year. That means that the disbursements are spread over three financial years; we wanted to bring that last year in so we have \$750 000 in this coming year. Eligible farmers are able to get a maximum rebate of \$30 000 per year for two years. It is managed by ourselves and DPIW and in year one of the program. It began in 2006-07: 20 applications were reviewed, nine were approved, 11 did not meet the guidelines or the funding for that year had been allocated and one withdrew. In the second year, there were 17 applications: 11 were granted interest rebates totalling \$410 000, six were unsuccessful because they did meet the guidelines.

In any year, once the funding application is allocated it is closed for the remainder of the financial year. So far, as a result of the scheme, there have been commercial loans. The idea is to provide interest subsidies to the farmers to enable them to secure commercial loans and help them with those interest payments. So far, the successful applicants that have received assistance under this have received commercial loans totalling \$12.9 million and they are using those loans for a

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range of purposes including setting up in the industry, expanding existing operations to be more productive and developing water infrastructure such as dams and irrigation systems, so it certainly seems to have been very well received and very well subscribed.

Ms RITCHIE - Do you have a gender breakdown of those young farmers who were successful?

Ms WRIEDT - I do not, but we can take it on notice. I hesitate to guess but it is probably predominantly male.

Ms RITCHIE - I am just interested, though, to have a look at where that is heading for the future.

Mr McILFATRICK - There will also be some joint applications from families.

Mr WING - I am wondering if any effort has been made to encourage export of more fresh food from Tasmania, particularly vegetables. That requires a different culture from the one that vegetable producers have had where they grow food for processing companies. The risk ends when the vegetables are delivered to the processing company. For overseas exports, of course, they would have to be vegetables of a certain size and a certain number and there needs to be some refrigeration or cool-store facilities, which most farmers could not afford to do themselves except in a co-operative. Is there any work being done there to encourage the potential that probably exists there?

Ms WRIEDT - A fair amount of work has been done by the Food Industry Council. They are at the moment reviewing the Tasmanian food industry strategy. I attended a workshop at Moorilla and they have had workshops all around the State in the last few months to review the strategy. That certainly recognises the potential to further enhance the export markets of Tasmanian produce. We work closely with the Department of Primary Industries and Water in relation to that.

There is also the DPIW vegetable industry strategy and their marketing plan and campaign. That is underway, a \$1.9 million plan over 18 months. Whilst we have not had a great deal of involvement in that we are seeking to build on that through the branding work.

Mr McILFATRICK - You have hit on the co-operative nature of some of these things; to get a large infrastructure like a cool store or even an AQIS-accredited export facility is important. Often what we will say to co-operatives that might be interested is that we will help them think through the business case and often where we can help most is if there is a gap in the business case. Currently we have been looking at a cherry-processing facility which would service more than one company. That would enable us to really leverage the opportunity we have particularly in Japan and Asia for cherries.

Mr WING - And hopefully South Korea if they allow them to be imported.

Mr McILFATRICK - Yes and it is important therefore to get the quality control and the fumigation if required. We have had other approaches but we have also been working on what I would call value-chain analysis with some companies. If we take a processor, probably 30 companies rely on that processor for their livelihood. We focus on helping the companies in that chain to understand their reliance and get a closer relationship with the processors and suppliers.

The most recent one we have worked with on that has been McCains, where we have done basically a value engineering study of the system in Smithton. I think we are always looking for ways we can get greater value beyond the farm gate.

Mr WING - It is a matter of transport, isn't it, trying to get it there in fresh condition.

Mr McILFATRICK - And working with distributors. Mr Campbell mentioned earlier the trip to Hong Kong. One of the minister's observations in Hong Kong was that perhaps the hotels were using the wrong distributors into the Tasmanian market, or the suppliers were using the wrong distributors for the hotels. Just that observation probably has given us opportunities of multimillion dollars of sales.

Mr WING - I was hoping we could be the vegetable garden for South-East Asia.

Ms WRIEDT - 'Food bowl' I think the word is.

Mr WING - Australia is unfortunately importing vegetables from China. I was hoping it would be all the other way.

Ms WRIEDT - I refuse to buy rock hard ginger that is grown in China; have you ever tried grating it?

[12.00 p.m.]

Mrs JAMIESON - I was just after an update on what is happening with geothermal exploration

Mr McILFATRICK - It is probably a question better answered by DIER. We are aware of two exploration companies that we have been working with and that are active. The geothermal opportunity in Tasmania is large but yet unproven in terms of whether it is commercially viable. We would work with the company, maybe beyond their exploration time. If they explore an opportunity and they find it, then we would work with them beyond that. DIER generally does the up-front work.

1.3 Innovation support -

Mr DEAN - An amount of \$16.7 million is allocated in the Budget for innovation support. Why is that not provided to nascent businesses that can demonstrate great potential but have yet to get decisive commercial runs on the board? You did touch on it previously, Minister, where you needed to be assured that a business was going to do well before you would give support to it. The situation with many of these businesses is that they are up and running and doing well before you will support them. Why do you leave it so late? I am aware of one business that did apply for assistance and support and could not get it. That business has gone on under its own steam to become an extremely viable business, a very good business, and now does not need that support. Why do you leave it so late to come in on the support for these businesses?

Ms WRIEDT - I do not think that is a fair assessment - that we leave it so late. It is very difficult to make a generalised assessment like that. You need to look at individual cases on a case-by-case basis because there can be a range of circumstances. I received a letter recently from

someone saying, 'I want to set up a business in Tasmania and this what I reckon I can achieve. Can I have some money, please?'

CHAIR - We get those in our office on a weekly basis, Minister.

Ms WRIEDT - Yes, but these are not from Nigerians who want my bank account details.

The response to that is always, 'We need to see something substantial from you', because in those cases they give us pretty scant details. You would be off with the fairies if you were to provide money on the basis of that.

Back in 1998 the Technopark was established out at Glenorchy. That was started as a business incubator and has changed a bit over the time. That allows us to support companies that are starting off. We have a number of programs, such as Springboard, which help businesses at really early stages to commercialise their ideas by providing business support to them. They do things such as education programs, mentoring, research and give them expert advice to help them to grow. I talked about Solux earlier, which is the company manufacturing the traffic lights. They went through our Springboard program and have been very successful.

The Innovations Advisory Board has grants programs at the research and development phase for some of those companies. They have a research partnership program which can help them even where they are only doing research into an idea. They then can help them with their commercialisation through a range of grants. It is very much a case-by-case basis as to their entry point when they come to us.

Mr DEAN - Unfortunately I do not have the right at this stage to identify the business that I refer to. They were specifically told, 'Go away and get some runs on the board and then come back to us and we will look at your position'. Right? The company now is competing on the world-market. It is growing its business at almost 50 per cent a year over the last four to five years to a stage where it does not need the support. I am told that is fairly common within the department.

Ms WRIEDT - Without knowing the specifics of that particular case, if you want to have a private conversation about that at some stage then I am happy to do that. Please do not take it that they were the exact words used because it may have been that they were asked to go away and provide some further information so that we could work out at what point we could assist.

Mr DEAN - I am putting it up as an example. So you are saying that when a business comes to you that does need support et cetera you will help them right from the word go to start and develop a business case or a position?

Ms WRIEDT - One of the reasons we established Business Point at as a one-point stop for business and individuals to ring was so that they would not have to go scurrying around trying to find what area in the department was suitable for them. There would be one entry point and that entry point can direct them to the most appropriate program and the most appropriate person to talk to about that program, depending on what their circumstances are. I have a lot of approaches from individuals who could be anything from a backyard inventor who has a good idea that has come out of his shed to -

CHAIR - Mining venture.

Ms WRIEDT - Yes, to major international companies who come and want to invest in the State. We have to know what the appropriate process is and how we can best help them. That can only be done by a proper understanding that they provide. In the past there has been an expectation that government will, on the basis of one letter, hand over millions of dollars for something that would be akin to providing your details to a Nigerian person who says that they are related to whomever.

Mr DEAN - What innovative ideas have you supported in the last 12 months? How many have you supported?

Ms WRIEDT - Solux: I have already spoken about the traffic lights. Assistive Technologies in Wynyard: they have developed the Proxi-Mate which is designed to minimise the number of falls suffered by dementia sufferers. It is a pressure sensitive mat that has a transmitter in it. It is placed under the bed or the chair of the dementia sufferer and then when they start to get up there is a signal that goes to a nursing station or a pager so that the person looking after them can quickly realise the person has moved from that area, because dementia sufferers tend to wander. It really is, if you like, a tracking device to make sure of their whereabouts. About 500 of these units are currently in operation around the State. They were highlighted recently in the *Advocate*. There was a large article about it and the way it has taken off. It specifically mentions that the Springboard service was vital in getting this up and running.

In a briefing we can give you a lot of examples of programs that we have assisted and in what way and what the outcomes have been.

Mr DEAN - I think we are interested in recently and going forward; I do not want to live in the past too much.

Ms WRIEDT - They are those we have helped in the last couple of years. I talked about Darren Alexander and Autech recently - we have assisted him and his success now has gone international.

Mr DEAN - And the assistance comes from financial support, does it, and also advice and mentoring?

Ms WRIEDT - Once again, the different programs are designed to be flexible to cater for individual needs; it might be that one person needs assistance at the research and development phase so that is the appropriate program; it could be that they need assistance in getting their finished product commercial ready, so we can assist them with one of those programs. It really is very tailor-made to what that individual might need, particularly given the diversity of the industry areas that we work across. At one time it can be traffic lights and at another devices for dementia patients. A few years there was a stand for outdoor umbrellas, so it is very varied.

Mr DEAN - The decreases in relation to Intelligent Island funding and so on - what is the position there?

Ms WRIEDT - Intelligent Island was a set amount of money from the sale of Telstra and it was divided into a few programs - \$15 million was allocated to CSIRO to set up the Tasmanian ICT centre. That is up and running now and they have quite a few people working within that. The CSIRO matched the \$15 million. Their primary role is to work with members of the ICT

industry in the State to do some cutting edge research in the area. They are focusing in sensor networks, data management and robotics with a view to coming up with stuff that can be commercialised from that research.

They have 26 staff now and they are working on a number of programs at the moment: the Australia plant pest database; autonomous hot metal carrier technology; marine observation systems; and water resources observation network. There is also the MAP program - the Market Access and Partnership program. We talked about innovation and helping companies develop and commercialise products; this MAP program is trying to do exactly that in the ICT sector. There are commercial grants from \$200 000 up to \$2 million for specific industry projects and then special grants for activities that would benefit the whole of the Tasmanian ICT industry. There is an independent panel. To date \$12.7 million has been disbursed to 18 organisations in three rounds of that and there is another round that is to be announced in August.

CHAIR - Can I ask how much funding is left?

Ms WRIEDT - \$5.3 million.

CHAIR - And that will go in the next round?

Ms WRIEDT - Yes, it will. With the three rounds to date that have been announced there has been \$6.5 million in revenue and 98 full time and part time jobs have been created as a result of the previous initiatives that were funded.

[12.15 p.m.]

CHAIR - Minister, I have a question about your processes or your policies for helping businesses get started. I am aware that there have been some requests for mining ventures and they have seen no support in the instances that I am aware of but I think that the mining industry would be one that would need up-front support because there is such a long time in being able to get any return on their investment. Do you prioritise in that way at all? Something that is going to have a short term to get some runs on the board compared to something that is going to take much longer, for example, a mining venture.

Mr McILFATRICK - No, I think often we will have very long-term relationships with mining companies. The Legends Mine was case in point. We worked with them for eight years before they even had any turnover. Recently Legend has been taken over by Zinifex but I have had one person in the organisation who stayed with that company from day one when they first explored the resource and said there was an opportunity.

Often we are working with the companies beyond the exploration stage. It is DIER's role to help them with exploration and were that resource might be. But I think we are certainly helping Metals X at the moment which is a new company that has come in to take over the Renison holding; we have worked with many mining companies over the years. I do not think we have ever said no, but we may say to them we cannot help you at the moment with financing because often it is difficult to finance a new venture; that is best financed from the market which is where most mining ventures get their initial capital.

Mrs JAMIESON - So what help do you offer in that case?

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Mr McILFATRICK - Mainly advisory help such as how to go through the process of getting licenses. We facilitate them through the processes needed in working with other departments.

Mr WING - That often deters them - the slow process and the obstruction and the mines office. It seems like obstruction so often.

Mr McILFATRICK - I am not saying that there are obstructions but certainly having a friendly face who knows the system, particularly if you are from overseas, to help you through and a knowledgeable person to help you through, has been very beneficial.

Mr WING - The combination of the mines office and the environment office would put many people off even to proceed with so much red tape and obstruction.

CHAIR - Is that an issue, Minister, that your department would look at in trying to streamline the processes? For example, the recent dam legislation that passed through Parliament made it a one-stop shop. Would your department have discussions with another department saying this is far too onerous when people are trying to get businesses up and runs on the board?

Ms WRIEDT - It is a broad question and one that is difficult to answer in the specific. Economic Development does spend a fair amount of time in working across Government agencies because a business seeking to set up here, as Norm has just indicated, needs to get a number of permits and other things. We can assist them. When tourism operations, for example, come here, Tourism will liaise with other agencies to provide assistance.

On the whole question of red tape reduction, there is a lot of work done on the national scene at the moment and I have just come back from a small business ministerial council meeting in Christchurch where there was a lot of work on things like registration of business names, because we have eight different systems across the country. If you want to register a business name here it is a different situation than it is if you want to register in Melbourne or Sydney. We are fast working towards a national system for registration of business names that will make it a whole lot easier for businesses, particularly if they want to work across more than one jurisdiction. They will not have to go through separate processes in each one and run the risk that in three States out of four they can register their business name but in the fourth they cannot. It can severely impact on their ability to get themselves known on a national level if they are hindered in that way. There is a lot of work being done there and hopefully towards the end of this year we will have some movement on that.

Mrs JAMIESON - I would like to revisit the Intelligent Island project because it had such a focus here a few years ago. Back in 2004 I found that there was to be a review of the whole of the project in 2007-08. I am wondering if that review has been done and whether or not, as it is winding down as far as dollars go, it is going to be ceased altogether or absorbed into other departments?

Mr McILFATRICK - It was reviewed by both departments about where the program was heading. There was difficulty getting the original funding out so we pretty comprehensively reviewed the program and identified the two opportunities - one was the market access program and the other was the CSIRO. The CSIRO should not be underestimated, because that is a \$30 million business that was attracted. That review resulted in a new independent panel being established with the heads of the Federal and the State departments as the sign-off agents. That is

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now occurring. There will now be a final review of the program once all of the funds are acquitted, which will be after round 4, which is this year, but after a year or two when we see whether there has been an advantage. There is no anticipation there will be further funds because it was a program. It really is starting to kick some goals now.

Mrs JAMIESON - You mentioned also, Minister, that Technopark is doing things a little differently. Can you explain what is different?

Ms WRIEDT - The Technopark was set up with the goal of developing and supporting innovation and internationally competitive technology and making it sustainable. The services that were provided at the Technopark in those years of infancy were really quite limited and effectively amounted to serviced office space, which was really when business incubators were first begun. That was the limited intention of them but things have moved on in support for innovation so that now it is not just about serviced office space but providing education programs, mentoring, research and expert advice. We do not just throw a company in there and say, 'Here is a home for you and some subsidised rent', but rather, 'Here is a home for you and we will mentor you and provide you with the support you need'.

Mrs JAMIESON - So is its funding entirely from the department or do they raise their own money?

Mr McILFATRICK - The way a springboard operates is that we would provide a home and subsidised accommodation and business support and also provide the company with some start-up equity. It might be \$50 000 or \$100 000, and then the incubator, if there is any profit out of that, keeps that equity and puts it back in. It is a good process. We provide administration support and then the initial seed funding.

Mrs JAMIESON - I understand there is an ideas forum coming up in August, which I think is being sponsored by your department. Can I have an idea of what it is all about?

Ms WRIEDT - I welcome to the table Wendy Spencer, Director, Innovation Science and Technology. Wendy can tell you about the ideas forum.

Ms SPENCER - The ideas forum is actually a one-day workshop and it is designed to assist those people who have an idea assess the feasibility of that idea, so it is looking at IP and marketing - 'Do you really have a market? Is there really an opportunity?' One has been run in the south, one has been run in Launceston and the one in August you are referring to is on the north-west coast.

Mrs JAMIESON - Can anybody apply to go to it?

Ms SPENCER - Absolutely, and it is designed for those very early-stage people, and is part of the package that we offer companies across the innovation commercialisation spectrum.

Ms WRIEDT - Do you have an idea you are going to bring?

Mrs JAMIESON - I do.

Ms SPENCER - Excellent.

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CHAIR - I can assure you Mrs Jamieson has many ideas.

Mr FINCH - How many approaches do you have and how many people are you helping? Are you able to quantify those that access the program?

Mrs JAMIESON - Yes, and the success of the last forum.

Ms SPENCER - If you take the program from the feasibility phase right through to commercialisation, as the minister said, you have a range of skill development, mentoring and grant assistance. For example, we had 16 participants in Launceston for a one-day ideas workshop, and we assume there will be similar numbers in Hobart. We have Market Ready further along the pathway, where you might be developing your commercialisation plan.

Mr FINCH - Do extras come in there or do the same 16 come through?

Ms SPENCER - It is a pathway, so some continue on but many people enter at that point because, as you would appreciate, companies are at different stages. So 12 or so people participate in that program which is held twice a year. For the innovations grants there is six to eight potentially a year; some for smaller mentoring support; some for larger commercialisation support. Research partnerships program - three to five participants in that - so it varies. We also provide Springboard. We are reaching out to a large number of Tasmanian organisations across that spectrum.

Mrs JAMIESON - But do you know how many successful ones have flowed from the forum? There is no follow-up?

Ms SPENCER - We did an initial evaluation on the day about how effective it was but we have not gone back to them as yet to find out the outcomes.

Ms RITCHIE - I want to hark back to the biotech strategy. I noted that there was some level of excitement about that last year and I just wondered if we can have an update in relation to that.

Ms WRIEDT - Wendy just got back last night from a conference in San Diego so she is looking very bright considering she is probably jet-lagged. The biotechnology area is certainly an important one to the State; it is worth about \$45 million annually and that is not counting the poppy industry. For the last couple of years we have supported Tasmania's participation at what is the world's largest biotechnology convention and this year Bio2008 was in San Diego.

This year Marinova and Selbourne were the Tasmanian companies represented, along with the School of Pharmacy and the School of Chemistry from the university. I am told that at the conference Marinova made the closure of a contract to provide nutraceutical products to a major supplier in the United States so that has been a really good outcome and that relationship and the contract were cemented at Bio. Because they were able to make face-to-face contact with a major pharmaceutical company, Selbourne has commenced negotiations on supplying that company with a product and if that is successful it will certainly be a multimillion-dollar contract.

Both the companies had meetings with other potential partners and the university made some good contacts including in relation to commercial contracts for the provision of some goods and services, so the delegation going over and being supported by the department has certainly been worthwhile.

Ms RITCHIE - Are you still very much predicting this to continue to be the growth industry we were all hoping it would be?

[12.30 p.m.]

Ms WRIEDT - Considering the fact that the industry is really in its infancy in Tasmania compared to other States, I think this is a very positive start. We have the biotechnology strategy BioVision 2007-2015 that was released last year. Certainly we are going to wholeheartedly continue to support that vision so that we can continue to grow the area. We have a number of things that have happened already as a result of the implementation of that strategy, things like putting marketing graduates from the university into local biotech companies to help them improve their marketing skills for example, and supporting the trade missions is a really important part of the support as well.

1.4 Labour and employment -

Mrs JAMIESON - Minister, could you please describe the main differences between the Workforce Participation Program which has ceased and the programs that have replaced it, and why it is costing \$2 million to set up a new one?

Ms WRIEDT - There are 32 000 Tasmanians who have identified as being ready to work but who have indicated that there is some sort of barrier preventing them from taking on jobs. They would like to work but there is a barrier. That barrier can be something like the level of their literacy or their language if they have come to Tasmania as a new resident, it can be access to transport, access to child care or any of those sorts of areas. Because of the tight nature of the supply of labour in the State now with the strong economy we want to be able to harness those workers and find a way to address some of those barriers, so we are looking at being able to provide grants to businesses to give them some sort of financial incentive so that they can come up with ways to address those barriers.

The other part of this is developing a pilot program to help businesses develop some plans to retain mature-aged workers and this comes out of work of the Demographic Change Advisory Council. We know we have an ageing population and because of the tight labour market we want to retain some of those skilled workers in the work force past what might be their retirement age, so we are going to run a pilot program in the building and construction, manufacturing local government and community services sectors. I cannot give you any more detail because we have not actually finalised the detail as to how that pilot program will operate.

Mrs JAMIESON - But could that not have been done under the other previous programs anyway, without starting up a new one?

Ms WRIEDT - The other one was phased out. There is no doubt that that the previous one was very successful in addressing long-term unemployment. The number of long-term unemployed, as you would be aware from the latest figures, has decreased significantly over the life of that program. Given that we have identified 32 000 people now, which is a far bigger pool of people who are not necessarily long-term unemployed but who have barriers preventing them from work, it was thought that there are a lot of other programs that concentrate on long-term unemployed and assisting them into employment. We should try to harness some of those 32 000 and get them into the work force.

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Mrs JAMIESON - How did you identify the 32 000? Surely there would be others out there that you have not identified?

Mr McILFATRICK - We do not know the individuals but we know through our census data from the Bureau of Statistics et cetera when people are asked about whether they are employed or unemployed.

Mrs JAMIESON - That is out of date, usually, by the time you get the information.

Mr McILFATRICK - It may be out of date but it is an acknowledgment that that amount of people are there, maybe not at any one time and they might not be the same people. But we know Tasmania has lower participation rates than other States and we think that is an opportunity to get people in the work force, given that we have a skills and labour shortage at the moment.

Mrs JAMIESON - Do we have a list of the skills shortages in Tasmania?

Ms WRIEDT - There is a relationship between Economic Development and Skills Tasmania. But Skills Tasmania would hold a comprehensive list.

Mrs JAMIESON - Is it possible to have a list so that we have an idea of what the skills are that we are lacking?

Ms WRIEDT - It is possible if you ask Skills Tasmania through the appropriate minister. We are aware of skill shortages in specific areas. For example, within tourism, we are aware of skill shortages within cookery. In fact, cookery is one of the areas under our skilled migration program where we have had success already in attracting chefs from a number of overseas countries to come to work here. There is a very good chef at the Henry Jones, for example, who came out on our skilled migration program from South Africa. There are others within the building and construction area. But the exact specifics, you would need to go to them because I would be going on knowledge from when I held the portfolio and that would be outdated.

Mrs JAMIESON - Will you assist in finding housing and transport for people who join this program?

Ms WRIEDT - Housing, I do not think would be in our remit; that would remain within Housing Tasmania and we would seek to work with them. I know in the past, under other programs, that there has been success, particularly for seasonal workers. I think there was somewhere in the north a few years that there was a program that provided some transport to get seasonal workers around the different locations where they were working because a lot of them were quite transient people who did not have -

Mrs JAMIESON - With the petrol costs increasing now?

Ms WRIEDT - Yes. We have not ruled anything out at this stage.

Mrs JAMIESON - How will your program be promoted?

Mr McILFATRICK - Widely.

Laughter.

Mrs JAMIESON - I said how?

Mr McILFATRICK - We will be liaising with Skills Tasmania and working through industry councils who have a really good touch with their particular needs and it will be broadly advertised as well.

Ms WRIEDT - There could also be an opportunity to work with a number of the employment agencies like Employment Plus because they would be aware of individuals who are fronting up to them who have particular barriers that are preventing them. I have a friend who works in that area and she said that is not uncommon for her to have clients who really wish to work but there is something in particular.

Mr FINCH - Minister, I think we would all agree that this workplace participation program is vital but I am interested in the notes on page 2.4 about providing incentives for businesses to take on more apprentices and trainees. What incentives will this program provide that are not already there?

Mr McILFATRICK - The current incentive for taking on is a Commonwealth incentive so that will remain - Newstart allowance, all of those things. Our State Government incentive has been a payroll tax deduction for trainees and apprentices if you have an apprentice. We are withdrawing that because that only applies to maybe the top 5 per cent of Tasmanian companies and applying them, centred directly, at the front end.

So we envisage that, potentially, there might be up to \$7 000 available for targeted areas for taking on an apprentice or trainee, and people will be eligible for that across industry sectors, whether they were small or large business but target it to those more disadvantaged groups that may need some special assistance to get into the work force.

Mr FINCH - So that \$7 000, when you say payroll tax, would that be over the first year or the duration of the apprenticeship?

Mr McILFATRICK - Probably in that first year; that is the biggest cost to the business and the biggest hurdle to get into the work force. We have not yet designed it perfectly but that is the idea.

Mr FINCH - Are there are other ideas and other incentives that might be available to businesses?

Ms WRIEDT - As we said, we have not finalised the detail of it yet so we will do that in the coming months; we have a fairly open view on it at the moment. But the aim is to make it much broader than the previous program because the former Tasmanian trainee and apprentice incentive scheme that operated - it was announced in last year's Budget - would be ceased and replaced with something else. The reason for that was it was only accessible to those businesses in the State that paid payroll tax so 95 per cent of the businesses, and particularly the smaller ones who would have more barriers in terms of putting on additional staff, were not able to access anything under that program. So we were not catering for mainstream Tasmanian businesses.

This new program will be available for businesses of all sizes.

1.6 Film, TV and multimedia industry development -

Mr FINCH - Reports, Minister, about the filming of *South Solitary* in Tasmania are very encouraging and it is great news. Of course, we will be the perfect location for that film.

Ms WRIEDT - Absolutely, but we cannot confirm anything further while negotiations are at the stage that they are.

Mr FINCH - What role will our very small Tasmanian industry play and would you consider some extra funding for the project to perhaps get more involvement by Tasmanian components in the development of this film?

Mr McILFATRICK - We will put funding into any film that is really focused on generating local content. In a film like *South Solitary*, which is a \$10 million film, we would see probably about 20 per cent of the local content in that; production needs to happen in other places. We would only give support with local content into the bargain. It will provide lots of opportunity for actors, maybe people being seconded on production - a range of opportunities for location, providing and a whole range of things. It is a huge economic benefit for us to have the film produced here, let alone what happens after the film is made and the promotion that goes with it.

Ms WRIEDT - The guidelines of grants from Screen Tasmania are already very specific in terms of what percentage of work needs to be done in the State in terms of pre- and post-production as well as filming, depending on what grant they are applying for.

[12.45 p.m.]

We already specify the amount of work because the idea is obviously to maximise the employment of Tasmanians and to be able to build the Tasmanian screen industry by having production work undertaken by locals. The only way they are going to develop their skills and we are going to grow the industry is to have that done here and not just somebody flying in and filming and flying out again - that participation in pre and post production.

Mr FINCH - What stage are we at in negotiations with the film?

Ms WRIEDT - At the stage where I would be very hesitant to say much more about it. Negotiations have been under way for some time. The style of the film we cannot confirm at this stage because there have been some changes to the stars. We are still talking about some fairly well-known Hollywood names, albeit not the ones that have been promoted in the media. It is a film worth more than \$5 million. That would make it the largest feature film made in the State and one that I think will give us a very good case to be able to show that Tasmania is ready to cope with that level of production here.

Mr FINCH - How were we sourced as a location for the film? Did they come to us? Did we go to them? How did it work?

Ms WRIEDT - It was a bit of both. Screen Tasmania is a member of Ausfilm. Ausfilm are the equivalent of Austrade but specifically for the film industry. Through them we promote Tasmania to the North American film industry. We had representative of Ausfilm down here recently for a few days. One of them was the LA-based person; we spent some time with her as part of G'Day USA - Screen Tasmania takes part in that and has done for the two years that we have been there. The director of Screen Tasmania at G'Day USA this year went along to that and

met a number of studios, executive producers and production companies. She also went to the Sundance Film Festival to get contacts there and to build the networks. We have a whole range of information that Screen Tasmania has now prepared. We are told that Screen Tasmania, through Ausfilm, gets about 100 enquiries from - it does not say what period - a year North America alone regarding filming in Tasmania.

Last year at G'Day USA, Screen Tasmania unfortunately were not able to be there but I attended a major screen industry breakfast with a lot of producers and so on. I had a lot of people come up to me and say, 'I am writing a film about such-and-such and I need a location'. Some of them are just not compatible. One of them needed a western ghost town but had a very tight filming schedule. I automatically said, 'On the west coast we would have some areas', but they wanted to come in the middle of winter. They said, 'We want to come in July', which is their summer. I said, 'That is our winter' and he said, 'We need to come somewhere I am not going to get any rain'.

Laughter.

Ms WRIEDT - There can be various specific timings that we cannot unfortunately fulfil. There was some interest in filming an episode of *Survivor* here in Tasmania where they maroon 16 scantily clad people in a remote location. They were very interested in Tasmania as a location but this is where we hit the snag: they are scantily clad for a reason - that is what provides their ratings and you will notice that the scantily clad people are always of a fine stature. We explained that in our climate they would have to rug up in polar fleeces and they would not be sitting around in bikinis and so on.

Mr WING - From December to May they would not have to, with our sublime weather.

Ms WRIEDT - There was effort made to point out that we did have warmer periods but not quite as tropical as they were thinking for the lack of clothing they were hoping that their participants would wear at all times. That could have been a great opportunity.

Having said that, we have other things that will be filmed here. We have *National Geographic Kids Challenge* about to start filming in the State next week. It is not a feature film but it is a high-profile television series that airs in North America. We have a particular niche market and if we cast our net widely enough there will no doubt, given the diversity of the film industry, be interest in Tasmania for different things.

Mr FINCH - I cannot help but feel, when I look at the allocation here in the Budget of \$1.214 million, that it is a paltry amount. Is that fair or unfair to say that?

Ms WRIEDT - That is not the only source of funding. That is the allocation to Screen Tasmania; however, when for larger projects it is clear that Screen Tasmania cannot provide the funding through their processes, they can make application to the TDR board and that has happened in the past. Grants can be provided from that source as well.

Mr FINCH - So they are not limited to that budget allocation?

Ms WRIEDT - No.

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Mr McILFATRICK - One emerging issue is about getting tax rebates. We have helped one company, and we will help more, with short-term loans that can be rebated against the tax rebates, so that gives them the cash flow to get production going. That will be through the TDR board. We are not limited, this is effectively the funds that were managed by the Screen Tasmania board for grants and operating process. If we get a \$20 million film we will have to go to the Treasurer and ask for more money.

Mr FINCH - There has been talk for years, Minister, about the potential for multimedia training in a State like Tasmania.

Ms WRIEDT - Oh, the ghosts of Estimates past! I just saw my first Estimates coming back this year. We talked about this in terms of training.

Mr FINCH - What is going to be allocated to multimedia development? Where is that on the radar as far as the Government is concerned?

Ms WRIEDT - I cannot talk about the training aspect of it because that still very much sits with my colleague, the Premier, under Education and Skills. We do not specify within the funds available for Screen Tasmania a specific allocation for multimedia, but that area is emerging as a real success for the industry. Screen Tasmania just supported a key player in digital media production recently. He is a games guru, Matt Costello. If you are into computer games, you will be in awe: apparently that he wrote *Doom 3* and *Pirates of the Caribbean*. He had a forum here and it was quite well attended - there were 20-25 people. The idea was to help some of the talent here and guide them if they have an idea - and there are some very talented young IT-focused people here who have the potential to develop ideas that could become commercialised. It is a very lucrative area. We are doing some work in that area.

There is a program coming to Channel 9 shortly called *Pixel Pinkie*. Here is some trivia for you that I learnt on Monday: the voice of Pixel Pinkie is Nick McKim's partner, Jane, so when I held this up in estimates on Monday he said, 'My partner is Pixel Pinkie'. That is being done by Blue Rocket supported by Screen Tasmania and I think they did 24 episodes of that. *Pixel Pinkie* has not gone to air yet but Channel 9 has already commissioned them for a second series. I think over 40 jobs have been created by that initiative alone.

Mr FINCH - In Tasmania?

Ms WRIEDT - Yes, totally in Tasmania. That is Blue Rocket. That is a really good example of something that has the potential to be really commercialised with merchandise and all sorts of stuff should it take off when it goes to television. I can see my daughter and I can see the Chair's daughter really taking to it.

CHAIR - I am. I was thinking I would take that home for my little girl when I return about next Tuesday.

Mr FINCH - That sounds like an exciting project. Of the 40 people who are now employed there, did they have their skills developed here in Tasmania or are they people who have come to Tasmania to take up this work?

Mr McILFATRICK - The original company, Blue Rocket, was attracted here by the Tasmania Development Board and the department helped with its relocation with a small amount

of money. They have since recruited people within the State. Obviously they recruit casual and full-time workers and at the moment I think they have about 50 people on staff for the second series, the majority of which are Tasmanian and some who have relocated here to work permanently. Once you get that sort of scale of operation it becomes almost a small industry in its own right.

Mr FINCH - I would be interested to see if we are able to attract this movie *South Solitary* to come to Tasmania just to see whether we are suffering from a lack of skilled people here and I am hoping, Minister, that if it does become obvious that we do not have the people to support a movie like this, perhaps there needs to be some strong discussions with the Department of Education and TAFE. I know it has been a bit of a hobby horse of mine over the years but I just think there is an opportunity for us to build on the skills of Tasmanians who are interested in this sort of venture and also to attract people to come to Tasmania to learn these skills. I think we can really build on this film, television and multimedia area.

Ms WRIEDT - I think you are right, and once again it is a portfolio that I no longer hold, but I am aware that in 2005 TAFE Tasmania began an initiative relating to staging, production and lighting and those sorts of things. That was something they were running in conjunction with the Salamanca Arts Centre and I am pretty sure that is continuing because we now have, of course, film studios set up at Goodwood that the government invested in so there is a working film studio that those students can also get their experience in.

I think if you looked back at what occurred in about 1997-98 when there was a substantial amount of money put into training for what was at the time thought to be the next big thing, and that was digital media, it all fell apart because it was almost trying to create a false environment for something that did not really exist yet. Now we have an opportunity to build on this because we actually do have investment in projects that have been successful. We have the people here. Blue Rocket are not the only ones. There is also Adam Walker, who has had success with *Piccolo*, a very cute short animated film that has been shown at film festivals around the world. I have visited him years past at his business over in Salamanca and he has increased the number of staff he has there. I think he does in-house training along with a training provider so that those employees come out of the work they have done on his films with some sort of qualification.

Mr WING - It's very creative work.

Ms WRIEDT - It is very good. He comes from creative family, of course, being Steven Walker's son.

Mr WING - Oh, is he? I should have twigged to that.

Ms WRIEDT - Yes, so there is a lot of stuff that is going on in that digital area. Certainly TAFE has become more active in that area than they were in years past.

Mr McILFATRICK - It is interesting how it has gone over into the education sector as well. Some of our companies are working both in film and in education; for example, Roar Film has gone into the education sector.

Mr FINCH - There is something I would like to ask specifically on digital media and training. The industry has been pushing this agenda for quite some years now. In fact, the budget

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was cut before but the minister has just explained that it was not really there, but I suppose I am wanting to put training for digital media back on the radar with you, Minister.

Ms WRIEDT - Yes, there has been a successful collaboration with the Australian Film Television and Radio School on something called the Laboratory for Advanced Media Production - or LAMP - and they have been doing workshops here in the State in relation to digital media. We are happy to get some further information for you if it is an area of interest.

Mr FINCH - I think I have made my point. I think that we need to keep it on the radar because I think the opportunity is there for Tasmania in this field, particularly with training and education and developing members with skills in that industry.

Ms WRIEDT - Can I do an infomercial now as we are about to go to a luncheon break because this will be of interest to members? Beaconsfield is in your electorate, isn't it?

Mr FINCH - It certainly is.

Ms WRIEDT - It is, well you would be interested then in *Alive and Kicking* which is a four-part series that Screen Tasmania assisted with the production of. It is the story of football teams in Queenstown, King Island, Woodsdale and Beaconsfield. Currently it is at the State Cinema but it is actually going to be broadcast on the SBS *Inside Australia* program on 27 August. The documentary series about craftsmen and apprentices in the Huon Valley, *The Passionate Apprentices*, actually premiers tonight on SBS, so at the end of a long day at Estimates you can go home and watch this.

The committee suspended from 1.03 p.m. to 2.05 p.m.