

THE LEGISLATIVE COUNCIL SELECTION COMMITTEE ON THE TASMANIAN FORESTS AGREEMENT BILL 2012 MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 16 JANUARY 2013

Mr LUKE MARTIN, CHIEF EXECUTIVE OFFICER, AND **Mr SIMON CURRANT**, CHAIRMAN, TASMANIAN TOURISM INDUSTRY COUNCIL, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Harriss) - Welcome, Simon and Luke. You are both familiar with the processes of select committees of parliament and the protection of privilege you have while you are here. We would like to hear your submission and then we will ask some questions. We have allocated an hour for this session - hopefully that is sufficient.

Mr CURRANT - We may not need an hour. Thank you for the opportunity to come along today. We completed this submission only an hour ago. Even though it is not due until Friday we felt it was pointless being in front of you without something you could take away. In that context there is a summary on the front of it and I will touch on those points and then respond to any questions you may have.

As you would be aware, our industry has a very significant interest and stake in our natural areas. A lot of operators work within the areas you are deliberating on. Tourism is one of the few significant industries that can provide future economic benefit from those areas under a reserve system. In that context we have maintained an interest and engagement in the forest agreement processes. I want to point out here that there has been a fair bit of chat and misinformation about our position in relation to this agreement. We as an industry are not in any way split because we do not take a position except in respect of how it affects our industry and the future use of those areas. We are not saying we are for or against the bill but we are suggesting some amendments and changes to it that will have a better outcome, we believe, for our industry. There has been some talk around the halls in political areas and amongst others that we are split. We are not split. It is the same position we took on the pulp mill where we said, 'We are not saying we are for or against that. What we are saying is that these are the ways this will affect our industry'. I want to make that clear.

There are two main issues in this that we have put and we put to you last time. One is land tenure and the other is funding for Parks. We believe that ongoing access for current and future recreational and commercial tourism interests in any newly reserved areas is paramount and that needs to be reflected in what you are finally going to presumably pass through. It is purely about access and land tenure and who decides what happens and how. We also are very cognisant that Parks, under most reserve areas and indeed on crown land, have the responsibility of managing those areas. Their funding has been reduced and reduced and they have been given additional responsibility for crown land as well. There is a real squeeze on these people and the proposition, as I understand it, going forward will be that they are going to have to take on whatever comes out of this agreement to manage it and the funding that has been mooted for them is a joke. The amount that has been allocated would not even begin to scratch the annual cost of looking after those areas. So our two points are those.

We have obviously reviewed the bill in great detail and we have involved and had a lot of discussions in the last month about what we have read and our interpretation of it. We do not question the intent of the forest agreement. As I said earlier, we are not in that space of this destructive forest debate but there are significant provisions in this that will affect us badly and restrict the capacity for tourism. Through our submission we are proposing some practical and reasonable amendments, which you will see when you read it, to address our concerns. Included in that are tourism activities as a permitted use under schedule 1. When we say 'tourism activities' it means the whole gamut of tourism activities but in a way that is compatible with natural area activities. We are not advocating large resorts or a racetrack or those sorts of things, we are advocating commercial development within these reserve areas, as indeed you are able to do now under the tenure that these areas have.

We also request to restrict the capacity of the special council to influence the protection order process for newly established areas. Under the agreement, as we interpret it as it is written now, there are only two parties that will be influencing that part of the process. That is the forest industry and the NGOs and we believe that that is definitely counter-productive. If you consider that the forest industry will have no further interest in a reserved area once it becomes a reserved land, that leaves the NGOs with the sole input to this process and influence on what happens in them. That, to us, is plainly wrong so we have pointed out why we feel that is so. We have proposed specific amendments to address those and are requesting you to thoroughly scrutinise and as best you can ensure that adequate funding is to be reserved for other purposes.

That is a summary of what is in here. We have kept this brief as well - it's something like six pages - but there is a lot to it if you read it. We have spent a lot of time and effort and used a lot of people to assist us.

CHAIR - Thanks very much Simon.

Ms FORREST - I am just trying to call up the Nature Conservation Act, but I have not managed to do that yet because I do not have a copy in front of me. The issues you talk about with land tenure, as you know there are seven categories in the Nature Conservation Act and several of them would allow a sympathetic resort, or whatever facility, to be built in an area such as that. Of those seven categories, which categories would restrict any tourism venture, except for walking in there and picking up your rubbish behind you? I assume you have probably seen the schedule that will make up the protection order. None of us have read it all and we won't have at this stage because obviously it will take some time. When you look at the values that will determine how it fits under the Nature Conservation Act, I am just asking you which levels of land tenure or allocation under the Nature Conservation Act will create a problem for tourism operators?

Mr CURRANT - Ruth, we know that there are lots of permitted uses within that act and also within reserves that are made into national parks, and made into world heritage areas. However, under these proposals, there are only two parties that are going to be influencing how that is done.

Ms FORREST - I do not want to talk about that, Simon; I want to talk about the tenure first.

Mr CURRANT - I know, but it is very relevant because we really are saying that they are permitted; we understand that. But under the proposals here, the only groups that will have a future interest in it have policies which say, 'No commercial development within national parks or world heritage areas'. That is the crux of it.

Ms FORREST - Let us get to that, but I want you to answer the first question first then go to that. I was going there, but I want you to tell me -

Mr CURRANT - I will let Luke answer that first.

Mr MARTIN - In theory, every single layer allows some form of tourism activity, including world heritage areas, so we have a well-known tourism development currently under construction in a world heritage area. I guess the position I think we are trying to get across is that under the current access, with each additional layer of protection the requirements of an investor of a development actually to achieve that development - and we are talking a capital investment, guest houses or whatever - is significantly greater. There are other tourism activities that can't happen in further levels, for example anything involving animals, so that includes nature trails, fishing, hunting and shooting, which of course are recreational tourism; also access points for some tourism activities, such as the ability to fly a light plane or a helicopter to access these areas. The short answer to your question is that in theory there is a degree of tourism activity allowed at each level through that agreement.

What that tourism development looks like has to go through a process at each different layer. I guess the point we are trying to get across here is that currently in state reserves or state forests, none of those requirements are put onto an operator to the same degree. It is a commercial decision between the manager of the land, Forestry Tasmania or whoever it is, and the investor if they wanted to do some of those activities. Irrespective of what layer they fall under the state reserve, there are going to be additional requirements put on the investor. As a principle, we think as part of that the tourism operators that are currently acting in those areas, the communities, the user groups and the potential operators in those areas should at least have some contribution to the process around what reserve level those areas get.

Ms FORREST - I accept that, yes. The reason I ask that question was because your first dot point - I haven't read the whole thing obviously, it has just been tabled - it says 'including tourism activities and community use under schedule 1'. What you are telling me is that it will already be a permitted use because a reservation under the Nature Conservation Act does not exclude, and I am just wondering how that really fits. What I'm hearing from you is that your biggest concern is who makes decisions about what can happen where.

Mr MARTIN - I think that with the interpretation of the protection order process, having something like that built into the schedule of the act would be something that would be interpreted by the manager and authority of those lands to consider what is appropriate use, which gives a bit of a safety guard. I will just expand on the point Simon is making about the role of Special Council as well, just on this because it is relevant. Under the agreement that we see, the durability test is on the basis of the reserve protection of these lands. I think the Nature Conservation minister is required to receive a durability test before those areas are put in protection. I guess that is the alarm bell that rings for us,

knowing that at the moment the signatories sitting around those tables are either a forestry industry who, frankly question the relevance of them after the areas are reserved apart from them wanting durability of the agreement and the NGOs that we know have strong ideological opposition to any form of commercial activity in these areas.

Literally, the policy of two of the major signatories is to not allow any form of commercial tourism activity within these areas. For them to have an added vested, special, exclusive role in that process through the special council is a provision that I frankly think is anti-democratic and it comes on top of a process thus far that has not engaged any of those user groups or other industries that have a stake in it.

Ms FORREST - You would have seen in the bill that after approximately two years it is to revert to a stakeholder council and you would expect that [inaudible] would be considered stakeholders. There is also a provision in the council for the minister to appoint others and you can have a list as long as your arm, if you wanted to go that way. Does that not give a level of comfort at all?

Mr MARTIN - I guess the principle we have adopted is that in any discussion or a debate around the reservation of public lands, vested interests should be excluded from the process. We are not advocating for us to be on the special council, more that the process should be allowed to facilitate through the normal process through DPIPWE's normal protection order process and ultimately the decision made by the minister.

I guess the argument would be about whether the minister would include other vested interests such as tourism or give us a role in the stakeholder process down the track when you would assume most of the boundaries have been determined and the tenure has been determined. I do not think that is necessarily something we have a lot of confidence in.

Ms FORREST - Are you saying that none of the tenures under the Nature Conservation Act prohibit? It depends what tourism activities are.

Mr MARTIN - Yes, that is right.

Ms FORREST - If you are talking about shooting and hunting.

Mr MARTIN - That rules out national parks, yes.

Ms FORREST - There are some areas where that would not be provided for but it does not mean you cannot have other ventures and other tourism activities in there. I am interested in how you see this really working because tourism activities covers a whole gamut of things, the majority of which would be permitted already, regardless of whether these lands are reserved and under what tenure. As you said, World Heritage, but World Heritage and National Heritage have nothing to do with this act, not a scrap. It is all about national parks and down.

Mr MARTIN - A lot of existing activities would be prohibited under national parks, a lot of existing desire to do activities in those areas. Again, on the basis that you could currently go in and do something within those areas now. Adding an extra layer of tenure above that will immediately restrict so again, as you say, the gamut of what tourism activities are is as long as your arm.

Ms FORREST - It makes it hard to put into a piece of legislation.

Mr MARTIN - It does and I guess our advice here is from people who know stuff far more intimately than us in terms of the appropriate legislation. Having a clause in the schedule of uses and scheduled intent of the agreement that recognises the role of tourism into these areas would give some comfort through the reserve order process to actually allow those to happen and also for future proposals for developments from those areas to be considered within that framework.

CHAIR - Greg?

Mr HALL - I think most of my questions were answered in that interchange; thanks ,Chair. I think Mr Bayley made the comment this morning, Simon, that from an environmental point of view they would prefer to see most of this land assigned reserves at the highest possible level. I took that to mean almost national park status so that did ring some alarm bells to me in regard to what you were actually saying about the hurdles you are going to have to jump. For example, it has always been a ambit claim for the whole of the Great Western Tiers to be a national park - that sort of thing. So they are things that are concerning people. You might like to comment on that.

Mr MARTIN - It is their policy to not have commercial tourism in national parks or in world heritage areas. It is their policy; they oppose it all the time every time someone puts a proposal up. We are saying, you should word this so that there are permitted uses that are around the opportunity to do the commercial tourism activities - buildings in there, et cetera. The one area here we have heard from those NGOs also is that they say, 'You know we are giving away the state's treasures to private ownership'. We do not advocate that, absolutely not. We believe these areas should be in the state and the national control, et cetera.

Mr CURRANT - We absolutely do not advocate that. We believe these areas should be in state and national control. We're saying these operations are not selling away or giving away, there is a length of tenure for leases under which you could operate. It is an absolute no-no. I know many proposed very small operators who are put off by the whole business of trying to even take a walk through a World Heritage area. It is unbelievably expensive and difficult to get through the process.

Mr HALL - I have dealt with that on the ground myself so I know what you are talking about.

Mr CURRANT - Under the access issue that becomes a hot topic.

Mr MARTIN - We went through this experience as an industry with the proposal around the Bay of Fires National Park where the initial concept of the Bay of Fires National Park and other icons such as Freycinet was what a great branding opportunity it was. As soon as we started identifying all those uses they would suddenly be prohibited, like fires for campers. We are saying allow that process to happen but be transparent and give other industries and stakeholders, the community and public users the opportunity to contribute to that process. I think that is the alarm bell that has been raised with the

process thus far but also some of the provisions in the legislation for the ongoing role of the signatories in perpetuity.

Mr MULDER - Your concern at the moment is about calling something a 'national park', any sort of development, and I can understand the Pumphouse Point experience and some others around the place. However, I am wondering why you did not have similar concerns when we slapped the whole of Melaleuca into a national park recently without a peep from the tourism industry, yet here was a gateway in the middle of the wilderness that was being converted from reserve basically into national parks.

Mr CURRANT - Only a part of it. My understanding was that you converted a part that was not already -

Mr MULDER - We reserved an area of land that was capable of the sorts of development because it was permitted under the reserve. It is still capable of development under national parks but, as you point out, the elevation of this from a reserve to a national park has added a whole new layer of difficulty in doing this, but we did not hear a peep out of you then, so I am just wondering why.

Mr CURRANT - At this stage we are debating this, we are talking about this. Whilst you may find it inconsistent, we don't. Right now you can access Melaleuca by air and water. Originally when those operators started operating, if they had to go through the process that will now be imposed on anyone else who wants to operate there, I would venture to say they would not proceed.

Mr MULDER - But we are talking about developments in national parks. You currently have access to these reserves through roads, etcetera - and I am assuming that won't be stopped - so why are you concerned about this going into national parks when you weren't about the other business?

Mr CURRANT - I don't think we are concerned about that. We are concerned about the uses you end up permitting within that area and how the system absolutely discourages anyone from proposing anything in that area. That is our problem. In the way this is framed, the only people who have any say are the people who have a policy not to allow anyone access, and in particular transport access is a problem.

Mr WILKINSON - How do we compare with other states and countries?

Mr CURRANT - This is a philosophical answer to you, Jim, but I did a Churchill Fellowship in 1988 specifically looking at small tourism development in remote and protected areas. I found there was just as much opposition as pro the arguments we are debating here now, but they resolved it by recognising the rights of other users to use those areas in a way which was suitable for them. I am incapable of walking now, so I am very sensitive to being able to have access - I can't walk in any more; it is all over. It is really a recognition of the use by people who, in transport access anyway, can't access it any different way.

At the same time, I recognise the right of someone who is a dedicated bushwalker not to be impacted by an aircraft flying over or a boat going in, so it really comes down to a situation of recognising rights and then allowing this bit to act and this bit to act. We do

not propose, holus-bolus, that everything should become open slather but we must permit and we must not have a system and act here which specifically is directed by only one group.

Mr MARTIN - There is a process underway in WA and Queensland as we speak with new governance around this specific issue. They are reviewing their nature conservation acts or equivalents essentially around this issue of allowing commercial activity within regions, so it is an issue every state experiences. The Northern Territory is slightly different because their major national parks with tourism value are managed by the federal department so they have an added level to go through. I guess it is similar to us with the World Heritage area. Looking around other states, if there are examples of where you can circumvent or make it easier or more transparent around how we encourage tourism activity and commercial and private investment into these areas, the key issue is around recognition of uses and permitted uses and providing that framework.

Our nature conservation legislation obviously allows for seven tourism and potential uses. It appears there is a movement towards strengthening that up across the country to provide greater certainty and to get the balance right between conservation and other uses and visitor access. Again, you are looking at specifics in this legislation and the fact that there are other factors determining it and other processes are overarching it and I guess what we are trying to do, looking specifically at 400 000 plus hectares, is to see how we create that certainty now on the basis of two things. One is that in all these areas now there is a reserve framework in place but also we would like to see tourism contribute to the economic rejuvenation of some of these communities.

Some of the specific examples would be the Styx, South Bruny, Blue Tiers and Bay of Fires. There have obvious considerable tourism potential and activities now but we would be looking forward to creating a framework now that allows a process and a potential investor to have a bit of security around that. Particularly when you look at the schedule of permitted uses into the agreement, to give some certainty to the future parks department, DPIPWE bureaucrats or ministers to be able to support tourism and activity in these areas.

Mr VALENTINE - Have you had any direct discussion with the body of signatories regarding your concerns? Knowing that table, as you may or may not, do you believe there are many changes required to allay your concerns in this field?

Mr MARTIN - I might have mentioned at the last opportunity I had that there had been attempts by us to engage with signatories around specific proposals to amendments to appease our concerns; from the NGO perspective, to address this perception that this is about locking up areas, they want these areas to progress. Talking to the signatories, who are the only people you can speak to on this process because they are the ones who seem to be determining it thus far, it is about some willingness to look at this issue around what would give a middle ground approach, not wanting to create a framework that we have the ongoing debate around developments in these areas. I guess that is a test for them around proposals we put up. As I say, we have detailed some specific amendments. Whether they come to them is going to be a challenge.

Mr VALENTINE - To them?

Mr MARTIN - Whether they are going to come to the amendments.

Mr VALENTINE - So you have put forward amendments to them.

Mr MARTIN - Well, with this process we have seen, the amendments we put to you here were to go to them, so whether they are going to support them is obviously up to them.

We have regular engagement with the forestry industry through our tourism, forestry protocol and have been right along. They certainly appreciate our interests in wanting to have access to these areas ongoing but, again, they are clearly advocating for their own interests on this and I question their ongoing role in having any say in these lands once they have essentially given up on them.

Dr GOODWIN - A couple of questions. In relation to your amendments that you foreshadowed about naming up tourism activities being permitted, have you had a look at the latest lot of amendments from the government?

Mr CURRANT - No, nobody has sent them to us.

Mrs TAYLOR - We only got them yesterday.

Dr GOODWIN - There are specific details about each individual lot that is proposed to be reserved in the document that we have received and it does talk about what is going to be prohibited use and then the purpose for them being reserved. So there is that level of detail.

I am wondering whether the type of amendments you seek might change if you had a look at them. So, for example, you might want it named up in column 3 of this schedule which is around reserving the land for the purpose of mineral exploration and because it is whatever. I am wondering whether it might change what you seek if you have a look at it.

Mr CURRANT - Maybe.

Dr GOODWIN - Would we potentially need you to come back and confirm one way or the other?

Mr CURRANT - Yes, we are keen to do that but we have been working on this and were not aware until yesterday that there were going to be 158 pages of stuff to read so I am sorry we haven't. But we will and obviously consider it and look it in light of this and we would be happy if it addresses some of our concerns to modify or change, for sure.

Mr MARTIN - I am pretty confident from what I have seen of the amendments put up today regarding the reservations that if they were interpreted into the act that would cover and offset this and subsequent amendments of those formed around each of the reserve areas.

So the intent of what we are proposing, from what I am aware, I am quite confident that will still be valid.

Dr GOODWIN - Yes, and it would be adequate for what you need.

Mr MARTIN - Yes.

Dr GOODWIN - But I suppose it might be a worthwhile exercise for you to have a look at these actual lots to see where they are and get a bit of a handle around it as well.

Mr MARTIN - Again, this is one of the discussions I have had with the signatories around, literally through each lot and seeing what is appropriate for potential future development. We are doing it the best way that we can and the process is going to be a challenge, again providing opportunity for tourism operators within those areas to have a chance to consider and interpret what those reserve classifications could mean. But then this can be an issue as well.

Our advice, if you are seeking to take this forward, is to test with the government as to whether they can provide some certainty across the extent of the reserve areas.

Dr GOODWIN - The other question I had was in relation to the support of this agreement. Simon, you made the point earlier that the industry is not up to speed on this issue and that it has not been the role of industry to come and out and support it or not support it or whatever. Am I articulating that correctly?

Mr CURRANT - That is correct.

Dr GOODWIN - At least one tourism operator I can think of has come out and either indicated support or tried to encourage other people to support it and I am wondering whether any approaches have been made to either of you to try to encourage you to publicly express support for this agreement.

Mr CURRANT - The agreement is a forestry agreement. We will only talk about and support, one way or another, the issues as they affect tourism and we did this on the pulp mill as well. We are not in that industry and do not take a position. We have a large board and certainly if it became an issue to us we would do something about supporting or not supporting it. But at this point, yes, we have had representation from members both for and against the bill but when we explained to them what the position was, they understood and supported our position. That is how we are and that is how I think we will probably continue. We can support the areas in the act that cover our industry and the opportunities for that.

Dr GOODWIN - To clarify, it is one thing to have approaches from your member asking you to support or not support it, have you had other approaches from signatories or people from government, or whatever, asking you for your support?

Mr MARTIN - To elaborate, Simon is saying about the process for us in the industry. Tourism is a broad, major, cross-section of interests and views around issues like this, particularly around issues like forestry. As Simon alluded, with the pulp mill, and also this process, we have never taken an approach about saying we are for or against this agreement. It is not about that, it is about what are the outcomes of what the agreement will be for industry.

The two issues we have raised through the submission and process were the issues that our board identified two years ago and we have been consistent in pushing those issues to the fore. There have been tourism operators who have individually expressed a view publicly and to me of support and those who have fought with vehement opposition to the agreement. They are fully entitled to do that on their own merits and when we explain our position there seems to be an awareness that we are not taking sides one way or another and the intent of the agreement is about what the impact is.

As I alluded, there have been attempts to try to get our support, particularly from the ENGOs but certainly not from the state government. There have not been any attempts to work through, it has been more about trying to identify a position that we would be comfortable with and what it would take for us as an industry council to throw our support behind the agreement, and that process has been ongoing for six months.

Dr GOODWIN - They were approaches from the ENGOs to say what would make you comfortable?

Mr MARTIN - Yes, and I guess that is the reason for frustration that after two years of trying to advocate those concerns to our government and communicate those concerns, it was a little surprising and perturbing that it would take a signatory to try to broker up arrangements.

Dr GOODWIN - There were specific things offered?

Mr MARTIN - No, it was more about essentially going through a process and what are some clauses, outcomes or agreements that we could put in place that would make us comfortable with it.

Dr GOODWIN - These specific amendments that you are now seeking, were they part of that?

Mr MARTIN - No, not at all, we have done this totally independently of any of that.

Mrs TAYLOR - I hesitate to raise this now after what you have just said, but as I recall when we were debating the bill I had a phone call from you, Luke, about the fact that you had been, I thought, approached by the minister trying to encourage the TCCI to support this bill, or to at least engage you in the process and to give you some comfort that tourism would not be excluded from these areas. Was I wrong?

Mr MARTIN - Certainly in the days preceding the vote there were attempts again in good faith. I did not feel there were any attempts to pressure us, and I would be very disappointed if that perception was created. There were certainly attempts by government to identify what our concerns were and to try to work through them and essentially to give us comfort around what those concerns were.

We have engaged our own counsel on this, people confident in their understanding of the act as it has been proposed, and the agreement, and that has formed the basis of the position that has come forward and we will share this with government if they want to adopt it into further amendments. They seemed very comfortable with that; there was no collusion or any attempt, I believe, from the government. It was more about the very

last-minute attempt to get a sense of what our concerns were and to see if we could work through them.

Mrs TAYLOR - Do you think that the government understands your concerns?

Mr MARTIN - No.

Mr CURRANT - No. I was talking to someone who is outside of the government situation but understands what is going on there today. I have had comments from various sides of 'you are anti-forestry' or 'you are pro-forestry' or whatever and I just keep on answering that by saying we are not taking a side in this issue. We only just got, when you guys got it, what the bill consisted of and then we had to react and over Christmas and all through we have been working hard to get an understanding and so this is our reaction to the understanding. Had we had that earlier we might have been able to do something earlier and we might have been able to collaborate on it but I don't think the government or anyone read what we said last time. In essence, these two things are exactly consistent with what we have been asking for all along.

No, I think the issue is more that we have been excluded, and you now end up with a situation that we find untenable in parts.

Mrs TAYLOR - Potentially, the bill does not preclude what you need to do, it is just that you have no comfort that your concerns will be addressed.

Mr CURRANT - No.

Mrs TAYLOR - And that there will be access and there will be opportunity for commercial potential because all the bill currently says is that harvesting is prohibited in those areas.

Mr CURRANT - Let's put that really simply: that's fine, leave it as it is, reserve it for no harvesting and we would be happy because we could still access those areas and we would be subject to local rules, laws and all the rest of it and obviously we are not going to wreck a natural area that we see as a potential - it is a myth that is perpetrated by certain parts of the opposition in this that we are out to rape and pillage and we are not.

Mr VALENTINE - You just don't want to have to go through the pain of Pumphouse Point.

Mr CURRANT - Or the Three Capes. Parks actually had to - it has cost them a huge amount of years and money and anyone who has to operate in those areas is subjected to an anti, 'how can we stop this' attitude amongst a lot of the authorities that are involved in looking at what you propose to do. It is a serious cultural problem within a lot of the people who have the influence and the last say in it.

Mr MARTIN - Talking of practical examples, they are probably more compelling in the Pumphouse or recognising interests is World Heritage area. The better example I like to refer to is Crescent Bay as a misinvestment. That was degraded farmland outside a national park that is going to rehabilitate and turn into a Saffire-esque development. The objections that went into the minister were that it could be viewed from a national park. That was one of the key arguments in their opposition to it and the issue then is to go through identifying on the site plans viewing platforms from Tasman National Park, so it

is just that inherent added level of opposition that is associated with any tourism activity within national parks. That is not a reason to say we don't have any national parks in this state but let there be due process around giving people who have an interest in these areas in the long term to actually contribute to that process.

Ms FORREST - Following on from that as well, the Greens and generally the ENGOs tout tourism as being the saviour for the forestry industry and we are seeing here an example with that of a proposal on non-controversial land that was thwarted. In the *Advocate* - and you probably don't read the *Advocate* - and I can't vouch for it supporting tourism as an option because often we will see a retraction in the next day but Scott Jordan of the TNC is saying that he does not want tourism in the Tarkine either now - they do not want mining and they do not want tourism either so how does this all fit with the tourism industry? How is anything like this going to deal with those sorts of problems?

Mr CURRANT - It can, under the proposals we have here, as use and, as I said, simplify it all. If you want to lock up the tree harvesting you do that and leave the tenure as it is at the moment and we would be fine. It doesn't denigrate its value by saying it is not listed as a World Heritage area or a national park. We have seen some research in the past couple of years about the value of World Heritage as a listing and how many more people are going to come because it is really about the values within and the activities that you can pursue within that other thing that grabs people's attention and desire to visit. Not just per se that it is World Heritage because there are a lot of World Heritage areas that are listed around the world that are, quite frankly, very boring and not very interesting.

Mr MARTIN - The short answer to that is, as you would understand, when you read stuff like that or the opposition to the Three Capes, I struggle to identify one more exciting project that is happening in the state in any industry and we have flagged that in terms of capital projects in the state at the moment, the potential for that over the next 20 to 30 years is extraordinary. Three Capes is being opposed every step of the way. Bob Brown referred to it as a Disneyland national park. That kind inherent, ridiculous opposition which you are now seeing played out around the Tarkine Road, which in that fashion for a number of years is now a threat to the devil. You can understand our uncertainty and our concern whenever we see a process that has been drummed by those signatories who have carried those banners but then maintain some additional, exclusive control over what happens to these reservations following the agreement getting passed. We have no protective measures for this and that is why we are at least trying to see if we can get that put into the process.

Ms FORREST - I hear what you are saying about that and obviously it will take time to look through those lots because a lot of the lots will be reserved in such a manner that it won't impact negatively on the capacity to have a tourism venture of some sort in them, in fact none of them will, depending on what it is. OK, it has to go through the proper planning processes and all that, which we expect. That is another argument, the whole planning stuff.

I wonder if you are potentially creating a problem by trying to name it up because it then becomes a big issue, because it is not excluded currently and it would not be excluded under the new arrangement because the Nature Conservation Act is not changing. I wonder if you are potentially creating another layer of complexity by even naming it.

Mr MARTIN - If we put down what the percentages of national park that are advocated for -

Ms FORREST - I haven't gone through to look at that yet but that is under the department probably -

Mr CURRANT - Who has determined those values? Only the ENGOs.

Mr MARTIN - Also the durability test that the minister's -

Ms FORREST - No, the ENGOs haven't put that together. It must have been the department that dealt with that. The ENGOs have not done that. The department, in that schedule, have identified the values and purpose, not the ENGOs.

Mr MARTIN - Under the act, also, durability tests that need to be provided to the minister, who accepts those by the special council. Does that durability depend on 30 per cent of them being national parks or 15 per cent or none of them?

Ms FORREST - If you look at clause 42 it will tell you what is in the durability report. I will ask for an amendment to link that directly into the bill so that is required.

Mr MARTIN - My understanding of the reading of this is that prior to the Nature Conservation minister accepting the protection order and the classifications -

Ms FORREST - In the durability report.

Mr MARTIN - Yes, there is a durability report to be provided.

Ms FORREST - That's right. The durability report needs to reflect what is in paragraph 42 of the agreement. If you read the agreement and read clause 42, that tells you what needs to be in the durability report that will inform the decisions made by the minister at the time when they reserve the lands.

Mr MARTIN - The agreement is going to be determining what is in the forest coupe?

Ms FORREST - In the durability report?

Mr MARTIN - Yes.

Ms FORREST - Yes.

Mr MARTIN - Okay.

Ms FORREST - Clause 42 of the agreement outlines what the durability report is to report on. And so it needs to be in the bill and I'll ask for an amendment to link the durability report to clause 42, so those things have had to be in it.

Mr MARTIN - Will that give us any confidence? Or is that negotiation needed to do the additional amendment?

Ms FORREST - It is something for you to have a look at and see what you think in clause 42.

Mrs TAYLOR - It says nothing about tourism.

Ms FORREST - But I am just explaining the process around the durability report.

Mr GAFFNEY - Following on from Ruth, I have some concerns that you might be creating potentially more of a minefield with where you are going. I understand and hear what you want to do, and I think that needs to be acknowledged, but I am just not sure whether it's in the legislation or the second reading speech where tourism is mentioned and put on the table so that it could be incorporated in that. The signatories that have come together have made it reasonably clear that any minor amendments and adjustments would be fine but anything major might unbalance it. After what the honourable member for Murchison has just said highlighted, we don't want to create something that is more difficult for you to navigate within the industry.

Mr MARTIN - I see them as two different issues. One is about not adding something that's going to undermine the agreement - that is for you guys to determine. The second issue is about what gives us certainty. When you refer to schedule 1, division of Tasmania's forests - which has been written by other signatories, I assume - there is no recognition of visitor access, commercial activity or tourism. In terms of the second issue around our creating an additional minefield, at the moment it doesn't seem there is any specific process that we can engage to influence this. What happens to these lands afterwards? Essentially it is just ignored. At least we are trying to get tourism put up as a recognised use again for the future interpretation of the act or for the minister's interpretation through the department. At the moment there is nothing in the agreement that I can see that gives us any recognition.

Mr DEAN - Have you had any advice, outside yourselves, on this park at all?

Mr CURRANT - Yes, we have retained a range of people. Since this whole issue came up we have been working on getting to a point of understanding first, so we needed the right sort of people to do that. We have engaged a whole range of people. This isn't just me, this is the Tourism Council.

Dr GOODWIN - I am trying to get some clarification around the opportunity for you to have input into this process on behalf of the industry you represent. Ruth has alluded to this already, but I am wondering if you have been offered the opportunity to be part of the special council, the stakeholder council or any other subcommittee to have input from your industry's perspective, either by signatories or the government? Has any sort of opportunity been presented?

Mr MARTIN - No, certainly not. I can't speak for any other industries that aren't signatories but I would be surprised if anyone has that opportunity.

Dr GOODWIN - Is that something you want?

Mr MARTIN - Having more vested interests for us to have a debate with ENGOs about whether the Styx should be a national park or a regional reserve, is that going to make the process any clearer?

Dr GOODWIN - Not so much that, it is in terms of tourism access. Is that what you want or do you just want it written in?

Mr MARTIN - I guess what we're trying to achieve is at least some recognition, voice, seat at the table or engagement around tourism interests in the process. Whether that can be achieved through the legislation or some other ongoing process thereafter, the protection orders give us a chance to contribute. I think that's a better outcome than we're currently at, which is not being mentioned in the legislation or the schedule around the interpretation of the legislation and clearly not being engaged in the processes.

Mr MULDER - Wouldn't the changes you're talking about be better pursued by amendments to the schedule of the Nature Conservation Act that describes these activities? They are going to be assigned a particular reserve classification under the Nature Conservation Act so that would then apply to all those reserves, not just the ones that are going into forestry, which would give you statewide coverage rather than a forest reserve coverage of those things.

Mr MARTIN - There is probably a valid point to say that there needs to be a discussion around the visitor services, tourism activity and private investment in national parks specifically, and state reserves and do that through a review of the Nature Conservation Act. What we are trying to do is achieve some recognition of that through the process for these areas that fall under that agreement. I think there are two processes.

Mr MULDER - The point is that there are already consequential amendments to the Nature Conservation Act that flow from this procedure and what I am suggesting is there is the potential to put some more in, some additional consequences where you deal with it there rather than trying to bundle it up into the forest agreement.

Mr MARTIN - We can have a look.

Mr WILKINSON - That is the main thing because the mantra has always been to protect these forests and, if you protect these forests, tourism is going to flow and people are going to come and flock in. That being the case it would seem to me that tourism is a stakeholder and should be a stakeholder because it has been mentioned on a number of occasions. As I understand it - please tell me if I am right - all you are requesting is that you do become a stakeholder and you are spoken with in order that you can get your point across, which is consistent with what the government has been pushing now for many, many years. Is that a fair summary of what you are saying?

Mr CURRANT - And permitted uses and that they are specifically mentioned as such.

Ms FORREST - If you are talking about permitted uses, Simon, isn't there a risk that if you start trying to name up permitted uses you will miss something? Isn't the other side of that same coin that if you exclude something then it is clear that you cannot do *x* in this sort of area, but everything else that is not excluded is permitted? Once you start trying to enable everything to be named that is permitted then you run the risk of saying we

wanted to have trout fishing included, but that is not there so maybe that is not it. It is a conundrum about trying to be too prescriptive and this is a problem with regulations generally. If you get too prescriptive you can inadvertently lower the bar so people just meet the bottom bar as opposed to being able to go above that.

Mr MARTIN - We have looked at this and about how much you actually name up. Based on experience, the two fundamental issues are around capital construction within protected areas, so guest accommodation essentially, and the other thing is around access, and trying to create some framework around that. Again, this is where I had a look at examples interstate and certain consultants we would be using have advised this and that. It is far better to be as distinct as possible rather than leave it broad. I think Queensland, for example, is using a very broad terminology of ecotourism access in covering a myriad of activities, but then talking about whether trout fishing is ecotourism or not.

Ms FORREST - That's right; it becomes subjective then doesn't it.

Mr MARTIN - I would be interested in testing this with the department if we were going to push it, certainly the detail around particularly capital construction, leaseholds and buildings.

Ms FORREST - I hear your concern, but I think you have to be very careful about being over-prescriptive with the risk of excluding without meaning to.

CHAIR - Mike has suggested he might like to have another contribution, but given that you haven't, like anybody else, had the time yet to digest all that was provided to the committee yesterday by the government, you might like to consider a supplementary or an addition to your submission and then for the mutual communication point of view we can come to some decision as to whether you feel a need or we feel a need to have you back in front of the committee when some of the things that have been discussed with you at the most recent contributions can be taken on board and we can see what flows out of that.

Mr CURRANT - Yes, we would be fine with that, but just make the time frame achievable because we don't just do this off some instinct, we use the right people to look and walk through it, so it will take some time.

CHAIR - We will keep in touch with Luke and the organisation, Simon. We have another four weeks of hearings pencilled in. We thank you both for being in front of the committee and we will keep in touch with you and we will move on after a short suspension.

THE WITNESSES WITHDREW.

Ms JAN DAVIS, CHIEF EXECUTIVE OFFICER, AND Mr BRETT HOOPER, TASMANIAN FARMERS AND GRAZIERS ASSOCIATION WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Thanks, Jan and Brett, for appearing before the committee, we appreciate your time. Brett, I cannot recall whether you have been in front of a parliamentary committee in the past but I restate the fact that you are protected by parliamentary privilege while in this process but if you choose to make comment to the media, or anybody else for that matter, who wishes to record your comments and thereby place you at risk of being challenged legally, you are not protected by privilege outside this process.

Thanks very much for your preparedness to be here today. We look forward to hearing from you right now and then we will open it up to questions. We have about an hour allocated for that process in the first instance.

Ms DAVIS - Thank you, Chair. First, Brett Hooper is the chair of our TFGA Forestry Committee. He is also a member of the board of Private Forests Tasmania and on the Forest Practices Advisory Committee, so he is quite well informed in this matter. With your indulgence, I am going to speak to some notes and then I am happy to answer any questions.

Obviously, like everybody else, we were taken by surprise with the paperwork presented yesterday. I have had to put aside the submission we have spent some time preparing and we will have to revisit that. With your indulgence, we will seek to be heard again when we have had that opportunity. I have had a quick look at the material and we have looked briefly at some of the summary comments and I will make reference to some of those. We will be seeking a full briefing on this, both from the government and from other stakeholders and signatories, particularly FIAT, and that will inform our further comments.

At the outset, I make it clear to you that our comments today and our submission will be focused around the legislation. We are not going to rehearse again the arguments that we have put to you on a number of separate occasions about our objections to the bill, our objections to the process and our concerns about the way in which that has been carried out, because I am sure you have heard those on a number of occasions in the past.

Having said that, let's move to our comments about the bill. Yesterday's amendments make it clear that there has been some significant shift in the paperwork and the intent of the bill. At first glance, it is evident that clause 10 has been substantially redrafted and that, to us, was one of the key clauses in that legislation. There is a new schedule and obviously as you have found, there is a lot of material in there that we will have to look at and we still have yet to come to grips with the listing of the 150 pages of future reserved land that I know you have been concerned about as well.

Generally in the process, the fact that maps have not been available and where they have been available are inadequate and not particularly helpful, has made that a very difficult process for us to consider our position in any specific instances. I guess our comment here is to recognise the important work that the Legislative Council is doing in reviewing this bill because clearly there are elements of it that need to be carefully looked at and your supporting us in having our say in doing that is most welcome.

As a headline, we remain concerned and to some extent offended by the fact that the private forest sector has been excluded from all elements of not only the debate around the agreement but also the drafting of this bill, despite the fact that we are clearly part of the industry. That term is used quite loosely, without any recognition of the exclusion of the key stakeholder group that provides in some cases up to 50 per cent of the forest resource, so how we can be talking about transition plans and industry renewal without any engagement with that significant part of the industry represented by my members is beyond our comprehension.

We are certainly concerned at the inadequacy of the socioeconomic modelling. Even having looked at the provisions in the paperwork yesterday we still remain concerned about that because it is clear that the components that will be considered are only those reflecting the interests of the signatories. There is no provision in this new work for anything to be looking at the impacts or the interests of the private forests sector. There is certainly no recognition in any of the paperwork - the current new bunch or the bit before - of the risk of regulatory creep. We have seen that referred to regularly in the discussions where, perhaps by intent or misinformation, too often the discussion publicly has been about this being an end to logging in native forests.

There has been no recognition that native forests can be both publicly and privately held and comments that FSC will be required for all logging and harvesting in native forests means that we are hugely concerned about the risk of this all docking on into our industry.

When the original bill was passed in the House we decided to brief counsel on behalf of the private forest growers. We sought an opinion from a barrister and over the Christmas break have been working through the comments the barrister has provided to us with respect to both the forest agreement and the draft legislation. In due course, because I have now sent it back to him to review it, we will be happy to make that opinion available to you.

Coming out of it, there were four significant conclusions for us. The bill creates a new method of reserving land for conservation purposes and there are some concerns about how that fits with the statutory requirements of the Nature Conservation Act. We will need to look at that and how it might impact on our members.

Our advice says that there are inherent uncertainties in the bill and the associated funding packages - and this is really important - including whether the commonwealth government has the constitutional power to provide the funding it has offered, and our adviser cites last year's High Court decision in the Williams case which I am sure some of you will be familiar with. If there is no federal basis for the commonwealth to fund the agreement it might be subject to a High Court action and we would be in a very difficult position there.

There is also the risk that the commonwealth could renege on its agreement with the Tasmanian government because the draft legislation does not create legally-binding rights and obligation. That strikes at the heart of the issue of sovereign risk which we have raised with you on a number of occasions before. We note that in the summary provided yesterday, the overview notes, the government makes the point that sovereign

risk is an issue and there needs to be an effort made to address it, and it leaves that to the member for Murchison to do rather than understanding its rights and our expectations of its rights and obligations to us as a stakeholder community.

Our advice also refers to the lack of compensation provisions in the bill for those who may be indirectly affected by a protection order that causes an immediate freeze on forestry operations or any other operation that may be impacted, and that is our members. Our members may well be directly or indirectly impacted by this and there is no provision in here for any consideration of compensation.

There is a whole range of issues within the draft legislation that we are concerned about. We are excluded from the special council even though we are key stakeholders representing, as I say, 40 to 50 per cent of the timber resource. There is no recognition in this bill of the important role we play in terms of industry transition and industry development so there is no proposal for us to be consulted or involved in any manner. There are a whole lot of issues in there that we would like to see better addressed.

The durability report, as an example, gives us concern. If the special council is the only one preparing and considering the durability report, it is the equivalent of marking your own homework. When do we get a chance to have a say whether or not the protest activity has rolled out of the public sector onto the private sector, as we have been told will be the next thing to happen. The ENGOs have already made it clear, now they have done this deal, that they now believe the most important land remaining is private land and they are after that private land next. We feel the fact that the durability report does not encompass activities outside the signatories and the public estate is a major flaw in this bill.

We also are concerned that the whole purpose of the bill is meant to be about carbon but the only reference to it is to say, 'We haven't got around to that bit yet'. There needs to be some significant work done on addressing the consequences of carbon and one of the things that we would like to look at there is a review of the fact that, although it is a federal matter, there is no carbon credit for biomass in the federal legislation and we would like to see this being one of the negotiating points that could be considered.

We would also like to see some review of the wording in the bill and the summary notes we were provided with yesterday around the issue of forest residues. The assumption in there that special council will deal with the resolution of issues around forest residues again excludes us from that debate and that approach to addressing those issues. We are particularly concerned at the continued alienation, ignoring of, and lack of respect for the private sector in this process.

Finally, as a comment, we are also concerned that there are no meaningful KPIs in this bill around either the durability clauses, particularly now that the protection orders become scheduled and the 380 000 hectares goes automatically into reserve and, second, around environmental outcomes. This is meant to deliver improved environmental outcomes. They are not specified. There is no test of how that will be measured. There is no reference to the science and there is no apparent understanding or acknowledgment of the fact that the science, as it is evolving, is showing more and more that lock up is not a solution. To close on that comment, the issue we are facing at the moment around fire and the risks of the spread from public to private lands is just one case in point.

In conclusion, our focus in the submission will be on the particular legislation and the bill as it stands and the impacts it will have on the private sector. We will have to reassess the bill in light of the paper work that was tabled yesterday and we will come back to you and seek your approval to be heard again and, having said that, we stand by our fundamental opposition to the bill and the whole flawed process.

Our closing comment is that the private forest sector has, in each of the previous agreements that are going to bring standing peace to the forest, bought the beers. We have borne the cost; we have carried the can and we have had no recognition and no compensation, and it is about time somebody else had a round. Thank you.

Mr HALL - Jan, a couple of quick questions. You have explained the private forest well and you have made it well known. The question I have is that given we now have some maps - and we, just like you, only saw them yesterday, the ones that have some depth to them - have you a concern because of the projected lockup? If you have had a look at the maps, my quick reading is that there is a huge interface with private land owners and farmers which was not there before and you could argue that most of that will possibly be a national park boundary. What is your view about that?

Ms DAVIS - Greg, we have looked briefly at the map and you are exactly right. Now we have that documentation, it is clear that there will be many more intersections between public and private land. We have been vocal in general about the importance of the public land owner - the government - being required to act as any neighbour does and participate in fencing arrangements, fire prevention, weed control, and management of browsing animals coming out of the public land. Quite clearly, we are unhappy with the current situation. There is no commitment by government to undertake any of these activities. Putting into a broader public estate a huge area that is going to increase that neighbour fence-line is concerning to us, particularly when we note the meagre funds available through the deal for dealing with things such as fire prevention, et cetera. There is no provision for fencing or any of those sorts of things. That is a serious concern for us and one that we will be looking at highlighting in our submission.

Mr HALL - You talked about carbon which, as we know, is an imprecise science at this stage. I am looking at the report findings we got this morning from one of the ENGOs. I don't know where your organisation has done anything in looking at that and getting some expert advice on the potential carbon credits we may get. For example, it claims here, 'The market value of protecting the reserves could equal \$251 million to \$650 million in carbon credits over the period of 2013-20'. Do you have any comments on that? Have you had any information on carbon?

Ms DAVIS - We have not done any formal work at this point. It seems to be the latest venue for snake oil salesmen; we could all retire on the supposed benefits from carbon. Through the federal government's carbon farming initiative, we are looking to get some considered assessment of all these claims - not specifically in relation to this position, but more generally. Having said that, I would continue my comment by saying we believe farmers, whether they be tree farmers or any other sort of farmers, should have the right to exploit any market that is a legitimate one. At this point in time, there are so many restrictions around what we could do with capturing carbon markets that we need to get some more clarity and understanding by government about how they are going to deal

with that. Our biggest concern on that question at the moment is the possibility - and it's nothing more than possibility - that there are clauses in here which because we don't understand that impact may push across and withdraw further rights from the private sector; so we do need to get some advice on that.

CHAIR - Jan, what, if any, are the implications to forest practices on private land that may flow from the expectation of Forest Stewardship Council certification?

Ms DAVIS - That is a very interesting question. We keep being told there will be no implications; however we bear scars from many previous experiences where that isn't the case. If there is a requirement, as is mooted by some on the ENGO side, that all native forest harvesting requires Forest Stewardship Council approval, that will pose significant barriers to activity and significant costs on farmers who are in that tree farming business. Many of our smaller producers particularly would be unable to meet those standards. Even if you are able to meet the standards, the cost and burden of doing so is extraordinarily time-consuming and expensive. More importantly, it comes back to my earlier comment that Forest Stewardship Council accreditation is something of a moving feast but is also not required for many markets that you may wish to participate in. By requiring, directly or indirectly, farmers to meet that standard you are putting costs on them from which there will in most cases be no market return. Normally farmers are left to decide which markets they meet and assess the accreditation requirements for that specific market, and we do not see why trees should be any different.

CHAIR - Thank you.

Mrs TAYLOR - Jan, regardless of what has happened and who has been in and out - and I do sympathise with your situation with private forestry because I realise how you have been ignored in this whole process - nevertheless we have a bill here and there is pressure on us to pass the bill or a bill with amendments. I must say I have been heartened in the last day and a half by the sincere commitment of most of the signatories that we have spoken to to make this thing work. Given that we have this bill and given that there is pressure on us - and good pressure - to come up with a good bill, what can be done to give the private foresters some comfort that they will be adequately dealt with and consulted and taken into account? Is there anything that we can put in this bill that will make it better?

Ms DAVIS - There will be things that can be addressed and we will address some of those in our submission. We understand the position that you are in and that is why we are focusing our comments and our efforts now on making sure that, if this bill is to be passed, it is the most robust bill it can be and that the negative impacts on the private sector are avoided where possible, and mitigated where not. Clearly where not possible there will be compensatory pathways for us as well.

Some of the things we would need to look at would refer to compensation, and representation in the special council to engage with the private sector in development of transition strategies. We note in the bill there is a vision for the future forest industry which was developed with no consultation with the private sector, so a range of things can be done. We will need to be focused on the mitigation aspects and the compensatory aspects.

Mr MULDER - In your summary you did talk about the FSC certification becoming mandatory for native forest, even private native forest.

Ms DAVIS - I said that is the stated wish of some of the ENGOs; it is not a provision within this bill.

Mr MULDER - Because the closest you get to it is in the schedule, the division which talks about the strong competitive forest sector based on sustainability management. That is where it talks about private. The next one is that recognised sustainability standards only refers to the Tasmanian Forest Agreement. So this bill, as such, does not impose that on the private native forest industry.

Ms DAVIS - No.

Mr MULDER - There has been a consistent message from just about all stakeholders and signatories around here that eventually FSC certification will become almost required by the markets. So, in a sense there is a push industry-wide to go for that certification anyway.

Ms DAVIS - I will reiterate the comment I made. In any other commodity that farmers produce, farmers must meet accreditation standards, whether it is a meat product, a plant product or whatever. Farmers, however, have the option of deciding which markets they wish to meet and then recognising and fulfilling the accreditation requirements. In no other product that we market is there a legislated or a regulated requirement for all product to meet a particular standard, even if it is not directed into a market that requires that. That is what we hear this intent is to do. So even if Brett wished to leave his trees standing for some future purpose, he would, the intent is, be required to meet FSC accreditation, even if he wasn't harvesting them immediately. We are really uncomfortable about interference by regulatory authorities in what should be market requirements. If the market requires FSC and a farmer chooses not to achieve that accreditation, then he will not be able to supply to that market. That is the way our businesses work.

Mr MULDER - I think the point is conceded, though, that that intent may well exist, but it is not in this bill. Maybe it is a fight to be had at some later stage when there is a legislative requirement.

Ms DAVIS - That is our point. We are making sure that in this bill, and any supporting regulatory documentation around it, it is clear that there is no intent for us to be forced into things that are going to impact on us and that haven't been recognised. I understand that it is not in the bill, but you will recognise that we cannot look at this in isolation, because there are things happening outside this that will be tied indirectly to it, like reviews of the Forest Practices Act.

Mr MULDER - So you are suggesting there should be a special provision that says there is no requirement for private forests to reach accreditation?

Ms DAVIS - No, I don't think there should be any reference to accreditation standards whatsoever because the markets, as we are told repeatedly, dictate those accreditation standards, not regulation.

Mr MULDER - I think the point is that there isn't.

Ms DAVIS - We are in furious agreement here at the moment.

Mr MULDER - Yes, that it is not an issue in the bill.

Ms DAVIS - It might not be in the bill but it is certainly in the IGA. The provision of Forest Stewardship Council will be a commitment that will be progressed for all forestry activity, so whilst it may not be in this bill it is certainly an intent sitting behind this bill.

Mr MULDER - In fact this bill is deficient by not having that in there because it is supposed to implement the IGA.

Mr HOOPER - Remembering that all farmers with forest are tied by the Forest Practices Authority standards, which are all but as high as both Australian Forest Standards and the Forest Stewardship Council. It is already at a very high standard.

Dr GOODWIN - Jan, I am interested in your comment that the TFGA stands by it is fundamental opposition to the bill. I know you did not want to go over old ground but I think it is important to flesh out why you are fundamentally opposed to the bill.

Ms DAVIS - We have been concerned about the process surrounding the intergovernmental agreement and the fact that it has been such an exclusive process, rather than an inclusive one. We are concerned that the bill therefore reflects a certain mindset of a certain group of people rather than engaging in a broader community discussion or even engaging in an industry-wide discussion. As we say, we are part of the industry and we've not been part of this discussion. More importantly, I think, we are concerned that this reflects just one option when no other options have been explored. That is our major concern.

Dr GOODWIN - We have had quite a bit of evidence from the signatories and particularly those representing the industry, or at least the industry involved in public native forest harvesting, that there is a need for the industry to transition and restructure and this provides an opportunity for that to occur. Do you agree with that assessment that there is the need for industry to restructure and transition out of native forest harvesting?

Ms DAVIS - Out of native forest harvesting, no, not at all. We certainly agree that there is a need for industry to improve its performance in the broadest sense over time. When we talk about our part of industry, as farmers and foresters, we are constantly improving practice and improving performance. That is part of what we do. That should not require legislation. That is market driven largely.

Dr GOODWIN - Or compensation?

Ms DAVIS - In our case there has been no compensation. That is not an issue we have needed to give consideration to. Improvements in performance in industry are largely driven by either a market requirement or a cost-benefit analysis by the producer. I do it this way, I can make a saving and it will have other flow-on implications. Our belief is that, as we told regularly, the market should be allowed to act without interference and in this case this is interference.

CHAIR - Jan, you would be aware that the forests agreement indicates that socioeconomic modelling has to be done. What would be your expectation as to inclusion in part of that process?

Ms DAVIS - The summary document that was provided yesterday specifically referred to that. It talks about a detailed socioeconomic analysis but it looks only, under this proposal, to examine the employment impacts of the public sector changes. It is looking at sawmillers and contractors and those signatory participants, but it does not look in any element at all at broader industry. It is not looking at how that flows through to the private sector. We do not believe that any transition of the industry can be undertaken without understanding the whole picture instead of just half of it.

If you go back to the agreement and a lot of the discussion around it, there is an expectation that many of the issues coming into whatever the transitioned industry will look like are going to be addressed by the private sector. There is an expectation that wood targets will be met by plantations on private land. There is an expectation that a whole range of things will happen that are dependent on farmers like Brett agreeing to participate in the process. There has been no analysis of whether that is going to happen. There has been no understanding of the social impacts of it happening or not happening for both our farmers and the communities that they support. That is what we would like to see, ensuring that all of this analysis and discussion and definitional work around whatever a transitioned industry looks like actually includes all of us.

Ms FORREST - You said that there is going to be a greater intersection between public and private land. On what basis do you make that statement, seeing that this is already public land? It is possibly going to be reclassified under the Nature Conservation Act and given reserve status?

Ms DAVIS - Without having looked at the detail of the maps, we are expecting some of the changes in status to change the way in which management of the land is carried out. The land might be managed by Forestry Tasmania at the moment and it moves across to Park's management. Forestry Tasmania has a very different neighbour approach to that of the Park's department.

Ms FORREST - But it is still public land.

Ms DAVIS - It is still public land.

Ms FORREST - It is not a greater intersection between public and private land; it is different land management?

Ms DAVIS - Yes, you are probably right. I probably chose the wrong words there.

Ms FORREST - So here is no greater intersection between public and private land. It is a different intersection in land management.

Ms DAVIS - You are right.

Ms FORREST - You made comments about fencing and the provision for fencing and there is no funding for that. There is not at moment. My parents live on a farm with an awful lot of boundary with the government and my dad has a view on that.

Ms DAVIS - Absolutely, and I am sure he is happy to share it with me.

Ms FORREST - He does. That problem exists now and this does not change that.

Ms DAVIS - It does not change in terms of the ownership but it does change in the way in which different government land managers approach these issues. I am sure Brett will have a view on this, but the general comment from our sector is that where Forestry Tasmania has been the land manager they have been very conscious of their neighbourly expectations and very assiduous in making sure they are the best neighbours they can be. Those who have boundaries with other government land managers have not found the same thing.

Ms FORREST - My father might disagree with that in that he thinks Gunns is a much better neighbour - or were.

Ms DAVIS - Well, Gunns is not a public landowner.

Ms FORREST - I know, that is what I am saying. Fencing costs were shared. It does not matter whether it is FT or another government department, they can still be good neighbours but there is still no funding for fences.

Ms DAVIS - Absolutely.

Ms FORREST - And that does not change.

Mr VALENTINE - Local government does not either.

Ms FORREST - No, I know; any level of government. That is why, when you have long road reserves, it is a big issue for farmers, as you well know. This does not change that. That is the point here.

Ms DAVIS - No, it does not change that. What it does is highlight the difference between approaches between different government land managers. Brett, you might like to comment on that.

Mr HOOPER - If you have a boundary with Forestry Tasmania, you can get on well with clearing the new fence line. I understand some farmers have negotiated fence-sharing arrangements with Forestry Tasmania. Also, the idea that you are managing a forest for production is a different attitude than managing it for reserves. The two land managers are so different that it would make a big impact. Also, I would have to observe that Parks are so underfunded anyway it is really hard for them -

Ms FORREST - There is no disputing that. I am just trying to clarify the point that was possibly inaccurate in that it does not change the expectation of the funding for fencing or anything like that.

Mr HOOPER - But actually being able to build the fence and do the job, I think would be more difficult with Parks than with Forestry.

Ms FORREST - Do you know that would be the case or do you think it might be the case?

Ms DAVIS - Our experience is that it is the case.

Mr HOOPER - Yes, I think I do know that.

Ms FORREST - Right. I know you have not had time to look at the maps under the proposed new law. It would be interesting from your perspective as TFGA representing the people you represent to what extent that could be the case, because it would be clear when you look at all the lots as to what the most likely outcome as far as land managers will be on that and how much will actually have that interface and the changing interface you may see. Will you be able to provide that information later on? It doesn't have to be exact kilometres but a bit of a ballpark figure would be helpful.

Ms DAVIS - Certainly.

Ms FORREST - As to the reference to FSC certification, I want to go to the agreement and we all had a big discussion about it and agree that it is not in the legislation. Clauses 46 and 47 of the agreement seem to support forest certification of appropriate remaining forest activity in Tasmania and the further development of Australian national certification standards for forest management. Clause 47 says the signatories will actively support Forest Stewardship Council certification for permanent timber production zone, land managed as intended under this agreement as a matter of priority. The way I interpret that, and I am happy for anyone to dispute it if they think it is different, is that this is an agreement that the signatories signed up to where they agree, particularly the NGOs where there is a bigger implication, that they will actively support certification for the permanent timber production zone land for FSC certification because the evidence would suggest that is what the market is generally expecting - or it will do in the future but it is not right now. I am hearing that when I have discussions in a variety of areas.

This document is forward looking so it does not mention that it will be expected that permanent timber production zoned land is public land; it's not private land, so the signatories are being required, under this agreement, to support a certification process. That does not mean there are to be areas that will be certified, that is up to the FSC certification board to determine. It does not say that private land will have to be certified. It says this is to be supported so that those forests can be certified that way so that if the market demands it it is a shoo-in. It has been suggested to us that if that is the case, there is less for people like Markets for Change and other fringe elements to go to markets and say, 'These are poor practices in Tasmania', when we can say, 'No, it is FSC certified, what's your problem?'. I am not quite sure what your real aversion to this is.

Mr HOOPER - AFS is the Australian standard, FSC is another one, and they are commercial entities selling certification. The other thing is if a sawmiller has gone FSC to take the wood from the public resource I am fairly sure there are restrictions on what wood it can take into the mill that is not FSC certified, even if its market does not actually demand it. I think that's right. That forces anyone else who wants to supply that mill to go down the

FSC line which is sort of saying you have to buy FSC certification if you want to sell the timber.

Ms FORREST - That seems uncertain at the moment. It is a bit like running different things through a production line. You might have to have a period of clean buffer between one particular product and another. It is like if you are producing gluten-free biscuits amongst the gluten-containing biscuits and you have to make sure everything is clean otherwise you are contaminating and you will lose your market effectively. Is that a reality or a concern and speculation?

Ms DAVIS - It is important to understand a number of issues. We are not saying that the bill requires us to do this. What we are saying is that it has been made clear to us and to you and to the government that this will be the expectation of the ENGOs as the next step. Brett's point about FSC being a commercially promoted scheme is something I think is imperative that you understand. A commercially promoted accreditation scheme can change at the whim of the commercial promoter and that's what we have seen with FSC. We need to understand that they can change the rules whenever they like.

Ms FORREST - And they do.

Ms DAVIS - That is why we don't believe there should be any regulated or expected set of accreditation requirements within government regulations and legislation, because they change according to market and product purpose and they are generally above your basic safety rules. They are generally commercial and we do not see them mandated anywhere else.

Ms FORREST - We agree with that. It is not in the legislation, it is not required. What this requires is the ENGOs to support the push for accreditation because if you are accredited it says to the customer that a certain standard is being met that says this. The ENGOs in the past, as I am sure you are aware, have criticised the forest practices in Tasmania saying they are not of a decent standard. We could all argue about that but if it is certified in that way and the ENGOs say, 'In spite of a bit of cable logging that is going to go on and the clear-felling that is going to happen over here, we are supporting FSC certification', which is a big step for them as I understand it.

Ms DAVIS - I am not presuming to speak on behalf of the ENGOs, far be it for me to do so, and I am sure that that would be somewhat difficult for all of us to deal with.

Ms FORREST - All this agreement requires - or all in this area - is that they have to support an application and put aside their past comments that forest practices in Tasmania are anything but ideal, which is what they have been saying in the past.

Ms DAVIS - But 'support' is not defined. There is no requirement for them to do anything than sit here and look earnest and say, 'We support this', and all of those costs and requirements fall back on those in the marketplace who are trying to meet that, so it is all very nice for them to put aside their previous preconceptions but that doesn't pay the rent. It doesn't pay the bills and it doesn't address the fact that, if followed to its logical conclusion, this will put requirements on farmers like Brett who are producing forest products to meet a standard for which there may be no market demand for the product they are choosing to supply.

So if you leave your product standing or you wish to put it into biomass or you want to do anything other than what we have seen in the past, then under these expectations you are being expected to meet a set of accreditations that are nothing to do with what your market wants. If we are going to be driven by the market, let us be driven by the market. Let us not put hurdles over and above the marketplace in the way of those who are producing, and if there is a market demand for such things, we would expect to see a tangible bottom-line return to those who meet those standards, and as yet we have not seen it.

Ms FORREST - The signatories have come to an agreement and the government has gone down the path of putting that agreement into legislation and adopting a policy and you said that no other options have been explored. Do you think that is a reasonable comment to make in light of the fact that for almost three years a group of people has been sitting around a table and that this is the only agreed position, and we have been told that quite clearly? Do you think there were other options that were not explored in the process?

Ms DAVIS - Absolutely, and the key one is an industry picture that engages the private sector and the public sector - and that has not happened.

Ms FORREST - Were you involved at all in the discussions in the early stages?

Ms DAVIS - I will repeat what I have said previously to this group -

Ms FORREST - It is on the record now.

Ms DAVIS - It is on the record and I will put it on the record again: the TFGA has never been officially involved in any of these discussions. We attended two early meetings as observers sitting behind one of our members, Mr Dickenson, who was invited in his own right. We have never been involved. We have never been consulted. We have never been informed officially by anyone about anything to do with any of this process.

Mr DEAN - Nearly every one of my questions has been covered, Mr Chairman, but I simply ask that since the rising of this House last year has there been any consultation at all with the TFGA from any of the group sitting around the round table or the government or anybody else?

Ms DAVIS - No.

Mr DEAN - Not one?

Ms DAVIS - No.

Mr WILKINSON - Jan, I think it was this morning or yesterday that somebody said, 'Challenge, if you can, the people who come before us to say, "What is a plan B?". In other words, if this agreement were not passed, where would the industry be and how would you deal with the industry? It might be too short a time now to ask you to answer that question but if you would not mind having a think about that and getting back to us that would be a question I would like to ask. In other words, they have told us what is

going to happen if this agreement were not passed but what do you believe is going to happen if this agreement does not pass and what is the plan B for industry, for jobs, et cetera? Can I put that on notice to you, please?

Ms DAVIS - Absolutely. I am happy to do that.

Mr WILKINSON - Thanks.

Mr GAFFNEY - My question is a supplementary to the last one. It was also pointed out, I am not sure whether it was this morning or yesterday, that the opportunity for people with private land forest to have input into this process is actually happening at the moment. It was made very clear to us that the public land that has been discussed through the signatories got to a stage and then the process is through this now through the lower House and the upper House through the parliamentary process and through that so they have made it fairly clear that that is where the input from other groups could occur, and that is what is happening at the moment. The signatories sort of said that if they needed to keep 10 people around a table it is quite a lot and 12, 14 or 15 made the process three years ago unmanageable. So that is their defence of where they have got to now and it was really to do with public land and not private land, although I think you have a very good case, as you put forward with the TFGA.

The other thing with the special council there is room for that through this process for other groups to be represented from here on in. I think they have acknowledged they may have made a mistake back when but through this process we understand there are other groups out there that need to be involved. Once they started it, it was very hard then to ask who else wanted to be involved because they were not starting at the same base.

Mr HOOPER - What concerns me about those comments is you have stated you are under pressure to make a decision, and that is a very bad scenario to be in to consider something rationally.

Ms DAVIS - To add to that, what you say is perfectly right. However, what we are now dealing with is an opportunity to comment on an outcome that is predicated on a discussion that may or may not, depending on your perspective, have been ideal or even appropriate. Yes, we have an opportunity to comment but only on what is put in front of us, not how we could have made it better or how it may have looked different.

Mr GAFFNEY - Further to Jim's question about the alternative we now find ourselves in is scary to contemplate as well, to put those three years of work to the side and start again, where would you go from here?

Ms DAVIS - That is what Mr Wilkinson has asked us to suggest. I would make the comment that we have not been party to these discussions nor are we resourced to come up with the sorts of broad-ranging approaches the signatories have been resourced to come up with. The expectation that we can develop a coherent position in a very short time frame with no resourcing and no background is a tad unrealistic, as I expect any alternate position we may put up will be scrutinised very seriously by others with other agendas, and criticised because it is not comprehensive. You are on a hiding to nothing.

Mr WILKINSON - The question, Michael, was because on numerous people asked, 'What's your plan B?', so I am just proposing that question to TFGA because it has been said on a number of occasions.

Ms DAVIS - Our overarching comment is at this point we do not have a specific plan B but we know that plan B should engage with the entire forestry industry not just one section thereof. It is an artificial, unrealistic and demeaning assumption that you can segment the private and public sector when it is inevitable that the decisions made about the public estate will flow through to the private estate, particularly when signatories sitting around that tables as the ENGOs have made it clear that is their agenda.

CHAIR - Jan and Brett, thank you for coming along. I can assure you your request to reappear before the committee will be granted. It might be productive when we travel to the north of the state, and we have some times pencilled in for that. That may be more convenient for you and we are happy to facilitate that.

THE WITNESSES WITHDREW.

Mr WESLEY BRUCE FORD, ACTING DEPUTY SECRETARY, RESOURCES AND INFORMATION, **Ms PENELOPE MARGARET WELLS**, MANAGER MAJOR PROJECTS, **Mr PETER MOONEY**, DEPUTY SECRETARY PARKS, AND **Mr KIM RONALD EVANS**, SECRETARY, DEPARTMENT OF PRIMARY INDUSTRIES, PARKS, WATER AND ENVIRONMENT, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - We do not need to explain to you the circumstances under which you are protected by privilege; we will not go down that path. Kim, you may provide some introductory comments.

Mr EVANS - Thanks, Mr Chairman, and I will be really brief. Yesterday Norm McIlfratrick led a delegation that had the opportunity to present to you on the government's broader position, particularly in regard to the draft amendment that was discussed yesterday.

Today with me I have Wes and Penny who are able to continue that discussion if the committee wishes with respect to the future of the land. My understanding is that you really wanted to talk today about the management of the proposed future reserves. On my right we have Peter Mooney who is the general manager of the Parks and Wildlife Service and there are a range of issues, no doubt, you want to discuss with respect to the management of the new reserves when and if they are created.

I don't think there is really too much more that I need to say other than to introduce who is at the table and allow the members to ask whatever questions you want to ask because I think we have the right people here to cover most of the issues that you may want to discuss.

CHAIR - I suspect, Kim it will not go to anything of the documents that were tabled yesterday because, as you would appreciate, we have not had any time to particularly digest any of that.

Mr VALENTINE - With regard to funding of the parks and being able to take on board the management of any other reserves that come in as a result of this legislation, perhaps you could outline how that is intended to run.

Mr EVANS - I will ask Peter to talk in a little bit more detail but the original funding agreement provided for \$7 million to manage the reserves arising out the signatories' process with the final agreement that the Australian Government has committed a further \$2 million. That equates in the order of \$16 per hectare. I don't think there is a right and wrong answer about how much money you need per hectare but if you take account of the select committee's report itself, it made a conclusion based on the evidence it had received that \$16 per hectare was the sort of benchmark number.

Obviously with those funds there will be a range of things that we would need to do - the management and protection of infrastructure, the servicing of the reserves themselves, and in terms of staffing, planning, et cetera, not the least of those responsibilities being fire. Peter has quite a well-developed process which he would go through in deciding the priorities and the allocations of resources but I think it is

fair to say, based on what we know at the moment, we have made a conclusion that \$9 million indexed and into perpetuity would be sufficient for us to appropriately manage those reserves.

Peter, did you want to add anything?

Mr MOONEY - Not for now, I will just take questions.

Dr GOODWIN - On that point - and I was not a member of that select committee so I'm sure others will jump in if necessary - that \$16 per hectare funding only relates to the new reserves. As I understand it, the select committee report found that Parks was under-funded at the moment in terms of managing the existing reserves so this new funding won't alleviate the existing problem that's been identified with the reserves or parks that you currently manage.

Mr EVANS - Yes, the conclusion of the select committee was that we were under-resourced. The evidence provided to the committee by both Peter and me was that is not necessarily the case. We made a point that you can never have enough resources but with the resources that we do have and the systems that we have in place to set priorities around this and other matters, we believed we were sufficiently resourced to do the core job that we need to do. You are quite right, though; these funds do not relate to the management of the existing Parks assets and resources. That's a separate matter that would ordinarily be dealt with through the state government budget process. These funds would be to manage the new and additional reserves created as a consequence of this particular process.

Dr GOODWIN - So essentially they'd be quarantined for that purpose.

Mr EVANS - Yes.

Ms FORREST - Wes, you are saying with \$16 per hectare for the new reserve areas. What is the average amount that you currently spend - as a comparative figure?

Mr MOONEY - Currently we spend about \$10 per hectare on our current reserve estate.

Ms FORREST - So there is \$6 more per hectare available for these lands.

Mr MOONEY - The new funding would be a quota of \$6 more per hectare than what we provide now.

Ms FORREST - Yes. Are there any restrictions on that being pooled? Your overheads are pretty much the same in some areas - firefighting, for example. Is there a capacity to say overall we've got \$13.50 or whatever - I haven't done the maths and I won't ask Jim to help -

Laughter.

Ms FORREST - Sorry Jim. He's never going to live it down. Whatever that figure is, could you then effectively -

Mr MOONEY - There's no doubt you have cost efficiencies, whether it's private or public sector, if your budget increases. At the moment we look after over 2.5 million hectares but we're only actually gaining 500 000 hectares so we're gaining a small amount of land compared to what we manage now but at a higher rate so there will be some cost benefits across the whole estate. There's no doubt about that.

Ms FORREST - Will you be able to share? That's the question.

Mr MOONEY - A firefighter would have no jurisdiction on where he or she would be limited to go, for example. Wherever the fire is, they will go. It may be a new estate or it might be in the current estate. Obviously, the funding that is provided for those new staff will be from the \$16 per hectare.

Ms FORREST - The commonwealth government isn't imposing a restriction saying you can't - let's use the Mersey hospital as an example here. There's been a lot of speculation that the Mersey hospital funding of \$70 million, or near enough, is being used to subsidise the north-west public hospital in Burnie. That's been shown time and time again not to be the case but there is continued speculation that money is quarantined. I am asking you is this money quarantined in any way by the commonwealth and not able to be used across the whole estate.

Mr EVANS - No, there are no specific rules in place about quarantining of the funds. Our expectation is that the funding that they provide would go towards the management of the reserves and that the management of those reserves would be effective with the funding that they provide us. As Peter said, there's not going to be a couple of new fire crews as a consequence of these funds that are dedicated solely to fighting fires in those new reserves.

We have a similar current example with the world heritage funding. We get \$3.4 million from the commonwealth per year to manage the World Heritage area, 1.3 million hectares. It's fair to say that we spend many more hundreds of thousands of dollars of state money with that \$3.4 million to look after the World Heritage area but there are training and skills of staff in the World Heritage area gained that they utilise on the state reserves, for example. They might be paid by the commonwealth to do that function but they will spend some of their time in state reserves during their working life. There is a cross benefit.

Ms FORREST - The other way of checking this is, do you have to account for the funds and how they are spent, back to the commonwealth, or do you just pay the consolidated revenue into Parks' budget?

Mr MOONEY - For example, with the funding we get for the World Heritage area, we have an accounting mechanism that provides how we spend \$3.4 million from the commonwealth and that is accepted each year. It has been fine. Different programs provide different mechanisms of reporting. I am not sure what this funding will ask for.

Ms FORREST - You do not know that yet?

Dr GOODWIN - They have not finalised the funding agreement yet.

Ms FORREST - No. There could be some requirement there.

Mr MOONEY - There may be.

Ms FORREST - The other issue that we alluded to, is wanting to know a bit more about the land manager of these reserves. In our previous submission - and I don't know if you were watching in another place - the TGA were concerned that with the interface between public land and private land, the amount of that interface will not change but the land manager may. It may go from being FT, who is the neighbour, to Parks, who is the neighbour, and the contention was that FT are easier to get on with as far fences and things like that, than Parks. Can you comment on that at all, on a changing land manager and what that might mean for the private and those who interface with the public?

Mr MOONEY - It is too hard to comment because I am not familiar with Forestry Tasmania's practices on ground. I am familiar with a lot of policy and principles of management but I cannot compare our practices to their practices directly.

Ms FORREST - They talked about Park's processes of being a neighbour with a private interface and I will ask FT tomorrow.

Mr MOONEY - We have many arrangements with our neighbours - public and private neighbours all over the state. Some are fantastic and some are challenging.

Ms FORREST - Some neighbours?

Laughter.

Mr MOONEY - It is quite a complex situation. The Fences Boundary Act in Tasmania is a classic example. It is a very black and white act which has been in place since Tasmania started managing private parcels of land. A lot of our neighbours do not agree with that act but that is something that we apply everywhere and we are very consistent with that. No doubt there may be some people who would not be happy with that new arrangement with us. But I doubt very much whether forestry would share fencing cost with every neighbour they had, for example.

Ms FORREST - What about restrictions for private landowners who adjoin Parks land? Is there any set-back or weed control and wildlife?

Mr MOONEY - No. The two biggest agreements and negotiations we deal with is fire protection measures along boundaries and then the other measures are the movement of wildlife and we deal with other parts of our agency to manage that as well because for crop protection requirements, there is a significant level of negotiation that is required there. All I can say is, generally speaking, they all work out fine in the long run. They start from a position, right through to a whole process of ongoing mechanisms put in place to manage that issue. But it is fair to say, the fire one is usually the highest priority in the beginning and then it moves through to other mechanisms such as the wildlife and impacts of that.

Also there are little articles like shadowing, if you have a forest next to a dairy farm, for example. Part of the grassland on a dairy farm could be shadowed at a greater extent.

But often you will find that clearing for fire trails will alleviate that. There are often answers and solutions to be found.

Ms FORREST - There are no real restrictions to a private landowner's use up to their boundary?

Mr MOONEY - I cannot categorically say that. It depends on what the private landowner gets up to.

Ms FORREST - I am talking about legal stuff.

Laughter.

Mr MOONEY - Generally speaking, there is an understanding of the principles and practices involved in both types of land management. But it is just at that single interface on the boundary line that you may have some decent discussions that are required. I cannot give an example of where there has been a stand-off situation of no solutions ever found; I just cannot think of one in the 30 odd years I have been around.

Ms FORREST - Generally ,solutions are found; is that what you are saying?

Mr MOONEY - Yes, for sure.

Mr MULDER - I have a couple of issues. The schedule to that big thing that was dropped on us yesterday, I note, talks about each of the lots, some of the values and uses, the Forest Practices Code and bits and pieces, but nowhere there does it specify the kind of reserve under the Nature Conservation Act to which this particular parcel of land will be assigned. As a consequence, we don't have an idea of what you propose to do to that land. Is it tended to identify the kind of reserve proposed for each of these lots? If so, when can we get that sort of information?

Mr EVANS - I might ask Penny to explain the process by which we have arrived at this point and how it moves forward under the Nature Conservation Act to create the reserves.

Ms WELLS - The columns you see in the schedule are specifically provided for in the bill. We have provided the information under each of those columns as required by the bill. The bill specifically requires us to identify the purposes and values and the purposes and values have been derived from those legislated purposes and values identified in the Nature Conservation Act in Schedule 1. We can provide you with copies of that.

Mr MULDER - So we now need to get Schedule 1 and read this and then work out for ourselves which of the eight or nine reserve kinds best fit.

Mr EVANS - We could provide a summary of what the purpose and values equate to under the Nature Conservation Act in terms of reserve class for all 295 000 -

Mr MULDER - That would be appreciated.

Mr EVANS - We can take that on notice and provide it to you.

Mr MULDER - Thank you. I will ask that in the context of a discussion we had last time in the corridor. What would be handy, rather than having to reach for the schedule, is to have a matrix of nature reserve and type of use. A matrix and a tick box with some information on the back would be a very handy attachment.

Mr EVANS - Likewise, we could extend that and do that on the map as well. We could colour code the various types.

Ms WELLS - In relation to the maps, in case you went away with the wrong impression, I want to clarify that this CPR plan we provided for you yesterday has been generated in black and white as part of the normal CPR plan process. We didn't have a file of that that we could print off in colour for you, that was the issue with that. In relation to the summary table of purposes and values that match up with the reserve class under the Nature Conservation Act, we can provide a colour map of that which is a summary map that shows the colours of the reserve classes across Tasmania.

Mr EVANS - Distinct from the CPR map.

Ms FORREST - Is it going to be sized down to this level, or one map of Tasmania?

Ms WELLS - The map I am thinking of that we can provide fairly quickly is a summary map of what this would look like colour-coded by reserve class at A3. Perhaps if we provide that map and you have the other map - by all means come back to us if there is something that would make things even easier. Once you have those two maps together and the table that you can then cross-reference the lots with each of the reserve classes, hopefully that will cover most of your questions. But if it does not, by all means come back to us.

Dr GOODWIN - Is it possible to get a map that shows colour coded what the current reserves are by the various types and then what the new ones are? Is that what you're talking about?

Mr EVANS - Yes.

Dr GOODWIN - That would be really good.

Ms WELLS - Yes, we can do that, but that might be another day away.

Mr MULDER - The Tourism Council talked about the difficulty they have in national parks, and I think Pumphouse Point leaps up, in that although it is permitted development immediately there is a whole shebang goes on about development in national parks. They were seeking some more specific things about what is either permitted or prohibited in the Nature Conservation Act classifications. They were talking about things like access and transport inside national parks or particular reserves, and some clearer description to add a bit of impetus so that we don't get 'This is inappropriate in national parks', and some guidance as to what might be appropriate in those reserves. What are your thoughts around sharpening up the uses permitted within the various classes of reserve?

Mr MOONEY - Generally speaking, most acts that look after land classifications in the western world have what they call 'general descriptions.' When you look at what a national park is, it says it is for recreation purposes, tourism purposes and education and the reason they are general is so you can develop different types of activities and agreements within those upon negotiation, whereas being prescriptive often restricts you to just that use and any other use is not allowable. Generally speaking that's why acts are written like that. I suppose there is a whole history all through Australia of what is and is not possible within reserves. It comes down to a definition of what is recreation, what is tourism, and it is very fluid, to be honest. Pumphouse Point is a classic case. That is an old pumphouse for hydro development which is no longer in use as a pumphouse, it is within the World Heritage area and has been determined as appropriate for tourism. I don't believe there are any unnecessary restrictions there. The sort of parameters you have to work within and around are things like the heritage components of that site.

Mr VALENTINE - Waste water.

Mr MOONEY - Waste water, yes, exactly, but it has a sewerage works system down the road they can connect with, so there is no drama there. They have to work within the parameters of what is already listed there under all sorts of other processes as well. It's not just because it is a national park. Pumphouse Point would be heritage listed probably wherever it is because of the nature of what it is and the developer would have much the same restrictions involved with that whether it was on private land anyway. It is unfair to say that because it is in a national park it is heavily restricted. The other thing is that there is enormous public debate about what is appropriate in national parks and that is probably the real issue we have. That public debate wears through a real presence of mind that national parks and reserves are lock-up estates. They are certainly not, you can do all sorts of things in them.

Mr MULDER - We are aware of that, but that is the problem about having to have a public debate about something when you can specify a little bit more that the tourism development is permitted. Then there are more specific issues. They're trying to get a bit of definition so the goalposts don't move.

Mr MOONEY - Rather than in an act or legislation probably the best way forward is in our management plans, which are far better at dictating that. For example, the World Heritage Management Plan is a very big document for a very large parcel of land. It is 1.2 million hectares from right up above Cradle Mountain to right down on Cockle Creek and right across near Strahan and in fact it is too big a document to describe all the abilities and developments or potential within. It is a bit too general and that's why you get down to that debate. Perhaps our plans and management could be a bit better in that mechanism. That is where you could have serious discussion with the tourism industry and developers and other people who wish to perform new activities.

Mr MULDER - Perhaps we should encourage the Tourism Council to come and talk to you about that.

Mr MOONEY - Sure.

Mr MULDER - It seems to me that we have planning in residential areas and we should come up with a list of discretionary potential uses and standards and things that need to be met within those zones, which is I think what they are looking for.

My next point is that it has been suggested that you are not necessarily bad neighbours as Parks, but you are not quite as good neighbours as Forestry Tasmania were in the sense that like local government and most other government instrumentalities you use the Boundary Fences Act which doesn't require you to maintain your boundary fences. However, Forestry chose to be the normal neighbour in this sense and I think that some of your neighbours are a little concerned that there goes the end of this wonderful cooperative arrangement they had with Forestry Tasmania in terms of maintaining boundary fences. Can you give us some indication as to whether you are going to maintain your existing practices and policies or whether you are going to adopt Forestry Tasmania's ones?

Mr MOONEY - We need to define exactly where we are talking about and what the uses are and the real issue is. We will look at it case-by-case and will certainly have compassion on how we manage and do things. We are not about to change the world overnight just because the public land manager looking after that bit of public land has changed. I assume all these wonderful fences are still up there and have been maintained really well.

Mr MULDER - There are some in my electorate that aren't, but anyway.

Mr MOONEY - Generally it is on a case-by-case needs basis and we try to drill down to exactly what the need is and the urgency of the requirement and we do have some cases where a landowner has changed their land management practice - in other words, they have changed from grazing to cash cropping - and we have worked with that landowner to improve fencing so that the wallabies and possums do not move across as easily into the cash crops. We have done those types of activities in the past. We do not have one rule for all but it is handy to fall back on the Boundary Fences Act.

Mr MULDER - My next issue is that a lot of the reserves proposed to come under your jurisdiction have existing infrastructure in the way of roads and bridges and some of them have developed tourist facilities that will now fall into your maintenance. Can you give us some idea about whether you intend to maintain all that infrastructure? What sort of policy will you be adopting in terms of which bits you let go and which bits you keep?

Mr MOONEY - We have gone through some of the processes with the RFA agreements. There has been two main RFA agreements since the mid-1990s in Tasmania and we have been involved in obtaining exploratory land in those agreements, so this is not anything new to us although the scale has been a bit different. To be honest, it all comes down to the purpose that the roads were put in for in the first place. Often the roads were put in for access to coupes and required 40-tonne capacity bridges, for example, for the log trucks, but now that purpose won't be required because obviously there won't be logging in the coupes but there may be another requirement for public access that does not require such significant infrastructure and things.

We will certainly look at every road and bridge there is and Forestry will have a good database of their maintenance schedule anyway, so it's not as if we're going in green and it all depends on really what the new uses would be. A good example is the honey

industry. That is one industry still operating out there in some of these coupes but it does not mean the coupe has been logged for quite a few years but they still want access to the beehives because bees only have about a 3.5 kilometre zone they work in. We will certainly work with that industry. There will be a number of other recreational uses and activities that people will still want access for and we are certainly going to acknowledge that. It's not as if we're going to say, 'Okay, because this isn't logged now we're not going to have a road any more'. That would be just silly because the community will probably want to use it for certain reasons.

Mr MULDER - Of course with that you get the fact that someone has to ask for it to be left open or there has to be an identified reason for it to be left open and, of course, one of those reasons can simply be to access the forests and enjoy it from the pleasure of a car.

Mr MOONEY - I tell you what, one of the main reasons would be fire access. We will need a lot of this access for firefighting.

Mr MULDER - To bring back to your 40-tonne bridge limit, how are you going to get the firefighting gear in there if you only build a bridge for a beekeeper?

Mr MOONEY - With fire trails that's a completely different game compared to a class 3 forestry road that you require for log trucks. You can build fire trails with fords and lesser capacity bridges and still allow community access because the community does not drive 40-tonne log trucks.

Mr MULDER - But you need your D9 in there one day to cut a fire break or do a trail or upgrade a track.

Mr MOONEY - That is exactly the same as Forestry work now. With a lot of these bridges they cannot take D9s over, for example. They can take a log truck but they can't take a D9 weighing 52 tonnes, so they use a fording system. They will have a ford next to the bridge. The ford will still be there, we are not going to remove the ford.

Mr MULDER - When you say that the commonwealth money should be sufficient to manage the estate you are including the management and the maintenance of the existing infrastructure as part of that -

Mr MOONEY - Yes, but it is not going to happen overnight. It will be a staged process and it will be on an ongoing maintenance program in negotiation with the community and the users of the reserves. We need time to consider that and to listen to the people who use the reserves now because obviously there are a lot of uses out there that we are not familiar with. Forestry may be familiar with them but we certainly want to get in and work out how we can have good partnerships with those people.

Mr MULDER - Minister Burke, I think, advised us that the funding would be in perpetuity and indexed. The commonwealth funding, is that the case?

Mr MOONEY - Yes, that is a fantastic statement. I like that.

Mr MULDER - You can thank some of us for extracting it out of him.

Mr EVANS - Certainly that commitment is provided for in the national funding agreement. It is not provided for in perpetuity in the Australian Government forward estimates because they only operate to a certain time but the commitment has been made that these funds will be provided in perpetuity and will be indexed.

Mr HALL - I think, Chair, Tony covered off most of the questions I had to you people about infrastructure and that you are going to obviously taking over a lot of existing infrastructure if this occurs - roads and bridges and everything else and, might I say, the walking tracks. The walking tracks to the Tiers, for example, that the forestry people have maintained and everything else. Do you think that \$16 a hectare is sufficient to cover all that? You do?

Mr MOONEY - At the end of the day it is a quantum larger than what we get now and we do a pretty good job with what we do now. I believe with what infrastructure is out there on the forestry land of knowledge we have already it will suffice but I can't categorically say that because I don't know every single surprise around the corner.

Mr HALL - The other matter I was going to raise was, we talked about the interface with private land and obviously that is going to increase significantly in some areas, for example the Western Tiers, where you've got a World Heritage area but the moment you interface with the public, well most of it is -

Mr MOONEY - Is forestry.

Mr HALL - A bit of forestry there.

Mr MOONEY - Then we go one step further, yes.

Mr HALL - We have to come down one step further right down to the base where it is all going to be right against private land, which is a fundamental change and over, I don't know what it might be, you have got some reserves up there already this year replacing it.

Mr MOONEY - Yes.

Mr HALL - But most of it is with forestry at the moment so there are going to be, I suppose, quite a few additional issues and costs associated with that so are you confident that you will be able to accommodate those because anecdotally I would say that some private landowners had a very good relationship with you but they have with FT[sense?] so that is a matter I will put to you that can address.

Mr MOONEY - It is a very high consideration of ours and we are aware of that and we want to get on top of that as quickly as we can.

Mr HALL - My other issues are covered.

Mrs TAYLOR - Supplementary to that, Peter, one of the things the committee on the Parks and Wildlife Service found was that part of the reason that your funding is tight now, or tighter now than it was, even though your dollars are not much different, a bit less than you had but not that much, but it is the firefighting capacity not because of anything you have done but the fact that the forestry industry has at least halved over the last few years

and the firefighting capacity is a tripartite arrangement between TFS and yourselves and forestry.

As forestry has declined and as private contractors have gone with their heavy machinery and so forth, there is much less capacity from their side to contribute to firefighting, which is one of the reasons why we said you need more money, just because you have to make up for the difference. Do you agree with that? That is why your money is tighter because you are going to have to fill the gaps somewhere that Forestry is leaving.

Mr MOONEY - Fire is a hot topic today. In answer to that, the fire events in the last week have been a very good example of possible events that will continue to occur in Tasmania. If you look at those events, the fires have occurred on 94 per cent of private land, besides the south-west one - it started mostly on private land, but it went through some reserves. The combined effort of the Tasmania Fire Service, Forestry Tasmania and Parks and Wildlife Service has been there at every fire all day, every day, and that is continuing too today and will continue tomorrow and into the future.

Mrs TAYLOR - And private contractors as well.

Mr MOONEY - Yes. Out of that mechanism it has got to a level where the fires have been managed. We have had one death on the fire front but that was a firefighter, not in the community. That is the first time such a large-scale fire event in Tasmania has resulted in no community deaths, so I think there is a clear message there: something is working. There has been a lot of property loss and very unfortunate property loss. Everyone around Australia and the firefighting authorities are saying that this is highly unusual.

Mrs TAYLOR - Well, the same thing has just happened in the Warrumbungles, no loss of life.

Mr MOONEY - Yes. It is a new way of managing fire and it seems to be working, but this is the first big event. For the future, as far as the reduction of forest contractors in Tasmania, we do have far less heavy machinery available at hand and far less contractors who are geared up for firefighting. That is a fact we have to deal with and will be a high consideration in part of where we put the \$9 million. It is a pretty clear message for us.

Mrs TAYLOR - Penny, you started off by talking about the process of how each reserve will be decided, the classification of each reserve. Would you continue with that? I would like to know what the process is because we have tourism, beekeepers et cetera who want to know what their access will be and who will decide. Where do they get input?

Ms WELLS - I think I probably alluded to this yesterday. There are a couple of phases - the initial phase that we have partly gone through now to determine the purposes and values for the areas that have now been -

Mrs TAYLOR - This morning Dr Pullinger talked about how the purposes and values are according to the Nature Conservation Act, which is not necessarily how it may have been. He said the reasons they had for putting them into reserves was slightly different but it had to be translated into Nature Conservation Act language. We asked if we could have from them what they thought the values of each of those were, in their words.

Ms WELLS - The terminology is complex in this space. We have had a process where a particular subset of the signatories have identified land they ascribe certain values to. That has been that process that has then led to the agreement and a map has been provided to us to translate that now into implementing the agreement and the legislation. So taking the politics out of it, taking out the threatened species, the natural values and whatever the values are on the ground out of it, our task has been to translate that map into the instruments required under this draft piece of legislation. That task has been slightly different. The guiding rules we used were the draft bill and the steps required in the bill to populate this table for the protection order, which is now on the table as a schedule.

Because the bill required that the process ultimately end up in a reserve classification under the Nature Conservation Act and it requires us to identify the purposes and values as the first step, clearly the intent is that those purposes and values relate to those in the Nature Conservation Act. We use that as a guide and, because they are prescribed in a legislative sense, we used the words that were in schedule 1 of the Nature Conservation Act to help us assign appropriate purposes and values to each parcel of land. For example, in the Nature Conservation Act it says that for class 7, regional reserve, the values of land are areas that have high mineral potential or high prospectivity. We also look to other legislation. We have in Tasmania legislation around strategic prospectivity zones. We have areas that are legislated that are identified as having high mineral potential or high prospectivity. So between the bill, the Nature Conservation Act schedule and existing legislation, such as the SPZ act, for a parcel of land that we identified as in an SPZ or had high mineral potential or had an existing mineral tenement, if you look at schedule 1 of the Nature Conservation Act then that would come out as a regional reserve.

We use those existing legislated criteria to assign purposes and values from the Nature Conservation Act that equated to those values in there. An area that was outside an SPZ or did not have high mineral potential but is, say, a large natural area and predominantly in a natural state, would come out as a national park. An area that has high use and has existing recreational use and is not in an SPZ, might come out as a conservation area or a nature recreation area set of purposes and values.

That is the process we went through. It was very much a high-level, desktop exercise. We did use the Mineral Resources Tasmania data sets and then expert advice around mineral potential. We used the data sets around SPZs and we had a whole heap of desktop data sets around existing uses. That is the first phase that has brought us to this point where we have a draft schedule on the table.

Mrs TAYLOR - I understand you are restricted by the classifications you have and the language in the legislation, but Phil said to us that they made a judgment on 10 criteria in terms of biodiversity and threatened species and all those things. You obviously cannot put that in because you have words you have to use. But when it says the classification is something like a large area of natural land, we do not know what led them to ask for that to be in there because we do not know which it is of the 10 criteria. It is hard to argue with them on any particular bit of land because they might say two criteria fitted here, or one or six, but we do not know what the criteria were because that is not translatable into your language. Are they are going to do some work for us on that?

Ms WELLS - We have not been given that in summary form. I was looking in relation to that yesterday back to the independent verification group's report. I had not looked at that since last year. I was reminded that in their summary report of conservation values that came out as part of that process, there is a list of 10 criteria. It does refer to some spreadsheets which I could immediately find on the website. That is my understanding, but again that is a signatories' issue of the values they use to come to that point.

It might be worth mentioning the reserve-making process. Should the bill pass in the next couple of months and should, either through a protection order or through a schedule A, one mechanism or another, that process proceed then the reserve-making process would start. We would take each of these lots and actually do a fine-detailed map of the reserves. We call them CPR plans, which stands for Central Plans Register. The formal registered map through the Surveyor-General process would legally define that parcel of land. The boundaries we've got here are fairly coarse and we would work closely with Parks and Wildlife Service, and probably Forestry Tasmania because they have a lot of field knowledge on the ground, to get those finer detail boundaries to make sense in a management sense. At the moment it might be just a swish of the pen on the map and it might make sense to have the boundary follow a road or a river or this side of the road or that side of the road, depending on the advice we get from experts on the ground. That process will help us get to an appropriate set of management boundaries which may be inside or outside these. There would be fine tuning involved.

That process will also provide a little bit more time to adequately assess the assets and infrastructure that are in there and the values we have on our databases that might be in those areas. That might help in working out the best place for a boundary to go inside or outside those particular things.

That process will have a little bit more time than is available for us to translate this instrument for the signatories. The nature conservation minister then makes a determination as to the final boundaries, the final purpose and values, which then lead him to recommend a reserve class to the Governor. Should that process result in a map that is significantly different in terms of its boundaries, like half the size or twice the size, or we end up having a different purpose and value - for instance, if we've assigned purpose and values consistent with mining and exploration and then out of the end of this process we have a different one and make it a national park - if there is a significant difference it would come back to parliament under the bill as it stands.

Mrs TAYLOR - The issue, then, for many people who feel they are being left out of the process, like beekeepers, tourism and others - and Peter has addressed this to some extent in terms of it being possible to do management plans - is at what point do those two intersect, because one would think it would be really good that a management plan would be drawn up before the minister actually signs off so that everybody knows what that reserve is actually going to be capable of having done within it? You're talking about boundaries and a broad value and purpose and how that may be used, but once the Governor signs off on it, it's a done deal and whatever other people want to happen within that -

Mr MOONEY - The Governor signs off on a map which is a defined geographical area for a particular reserve type.

Mrs TAYLOR - Exactly.

Mr MOONEY - How that reserve gets used is from a management plan with the community. It would be very hard to do a management plan before you had the reserve defined.

Mrs TAYLOR - But there would be some restrictions obviously; there are restrictions depending on which category it goes into.

Mr MOONEY - The reserve will end up being a category.

Mrs TAYLOR - Yes, but whatever it is categorised as, there are restrictions. The point of this bill is to stop forestry activity within these reserves. The tourism industry, for instance, is not arguing about it. The tourism industry is saying that, as far as they are concerned, if for all that 500 000 hectares there was no wood production allowed, that's not a concern to them. Their concern is whether there will be public access and whether there is able to be commercial activity within those sites. That depends, to some degree, on the classification. Yes, you can do a management plan but you can't do a management plan that won't allow -

Mr MOONEY - It is fair to say that we have commercial activity in all our classes of land except for nature reserve.

Mrs TAYLOR - Nature reserve?

Mr MOONEY - Yes, nature reserve, but I do not believe any of these parcels will become what we call a nature reserve - or one very small one, perhaps. A nature reserve is a parcel of land that is basically protected, like Albatross Island on north-west Tasmania. It is 500 000 albatrosses on a rock. We have tourism and commercial activities in everything from national parks right down to regional reserves and conservation areas, so tourism activity is not restricted in the class of reserves that we are talking about here, except for what we call a nature reserve.

Mrs TAYLOR - Then the issue they raised with us was that there are many steps to go through and it is more difficult.

Mr MOONEY - The higher the classification of reserve the more environmental parameters you have to consider, but that is all that means.

Mrs TAYLOR - It is easy to say 'that is all that means' but every step you have to go through costs a developer a large amount of money. It sounds easy but it is actually costly.

Mr MOONEY - The tourism sector, in their own interests, do need some regional protection of that land. There is not much use in a tourism business starting if it means that any day next door a development can occur which will severely impact on their business. Most tourism industries that want to work in reserve land want to work at a passive level. We allow that now.

Ms FORREST - The Tourism Industry Council acknowledges that.

Mr MOONEY - Unless you have an exact example where we have restricted a certain development that was wanted in a national park or reserve then it is very hard for me to comment. It seems to be a perception there that we are stopping things, but I don't know what it is.

Mrs TAYLOR - They mentioned a number of things today - Three Capes and the Dick Smith development.

Mr MOONEY - We are building Three Capes. We are the ones doing it.

Mr DEAN - They talked about the obstacles.

Mrs TAYLOR - They are talking about how difficult it is.

Mr MOONEY - We know only too well how difficult it was, but when we're doing it and it is being built now.

Ms FORREST - That point was about what it really means to restrict forestry activities. In the areas Penny was speaking about that have strategic prospectivity zones and mining capacity, I think one of the concerns has been whether it is well defined as to what forestry activity is, because if you need to build a mill or a tailings dam or clear a small area of trees to fly in a drill rig, you still have to cut down the odd tree or a chopper can't get in safely. Are we talking about harvesting trees for the purpose of selling the timber as a product, not clearing a helicopter landing pad to drop a drill rig in and that sort of thing?

Ms WELLS - That's correct. On page 11 of the amendment that was tabled yesterday there is a definition of native forest harvesting. In the schedule there is a column that lists the prohibited activities. The only prohibited activity that is listed in column 5 is native forest harvesting. We've defined native forest harvesting as meaning any harvesting of native forest that requires a certified forest practices plan. That is tying it to existing legislation in an attempt to restrict the commercial forest harvesting side of things. Clearing of vegetation for other purposes would not normally require a forest practices plan, so clearing land for subdivisions and other things that are exempted out of the Forest Practices Regulations wouldn't be restricted by this schedule or this bill.

Ms FORREST - To put in a tailings dam or clear a site for a mill, does that require a forest practices plan? Let us look at where Henty Gold Mine is, for example.

Ms WELLS - I have had this conversation with Mineral Resources Tasmania and my understanding of the interaction of the Forest Practices Act and LUPA is such that most of the activities that would be required for a mining operation would go through LUPA and they would not required a forest practices plan. So in the discussions that we have had, it is certainly my understanding that all the examples in relation to a mining operation that we could think of would not require a forest practices plan. It would require other approvals.

Ms FORREST - For putting the road in.

Ms WELLS - If a mining company happened to be logging for commercial reasons -

Ms FORREST - But we are not talking about that. Most of the miners have logging work - I will ask the guys later about that.

Ms WELLS - We could not think of an example specifically related to a mining activity that was for mining, so building a building, clearing, etc etera, all of those activities go through different approval processes but they still have to meet strict environmental guidelines. They do not require forest practices land so they would not be caught up by this prohibited activity.

Mrs TAYLOR - As supplementary to that, would you be able to use the wood, though?

Ms WELLS - You are probably straying into slight nuances that are -

Mrs TAYLOR - I know because then there will be people saying, 'I know you're clearing more than you need to because you are commercially harvesting', or something like that. It would be a pity to have it wasted.

Ms WELLS - If they were doing in activity that met the legal definition that required a forest practices plan then they would need a forest practices plan.

Mrs TAYLOR - But if they are clearing for purposes of a specific permit, like through some other process use.

Ms WELLS - And if that process is exempted under the forest practices regulations, then they would not need a forest practices plan.

Mr VALENTINE - That is including scavenging special timbers?

Mrs TAYLOR - That is what I mean.

Mr VALENTINE - Like off the side of a river.

Ms WELLS - You are straying into a level of detail that I cannot give legal advice on, but if you have specific examples, we can take that on notice. But certainly at a general level those activities do not require a forest practices plan, and most of the issues with mining would not.

Mrs TAYLOR - No, good.

Mr DEAN - Clause 9 in the agreement covers and identifies what is necessary there.

CHAIR - Members, what I intend to do is take one more question. Rob was the next one. There are a number of people queued up with questions. Can I indicate to our guests that we will have you back next week and we will get you to liaise with Elise as you leave and we will write to you on a couple of specifics relating to the Nature Conservation Act. We may pick up some other questions and we will get those in. So we will take the last question from Rob for today.

Mr VALENTINE - Yes, it is very quick because parts have been answered but the apiarists are very keen to make sure that their access is retained, if not enhanced. Can you comment on that for the record as to what the situation will be with these new reserves and how they might be impacted, if at all?

Mr MOONEY - Forestry have a number of licences with apiarists now, the same as we do, and we will certainly be intending to retain all of those and we will certainly work with the industry to improve that situation because it is fair to say that at the moment some of their areas have been restricted because of logging activities. But if that is no longer the case, there are opportunities there.

Mr VALENTINE - So it might enhance that industry, all these are being equal. It might enhance the access to, say, Eaglehawk.

Mr MOONEY - We have quite a big honey industry in the middle of the world heritage area, for example, and in national parks now under permit and it works very well. In fact, most of the leatherwood honey is going from the world heritage area.

Mr VALENTINE - Thanks.

Mr GAFFNEY - It might have been Vica Bayley who spoke this morning about other activities such as shooting and those recreational things, that that would still be part of the deal into the new reserves if it was -

Mr MOONEY - If it is currently in place?

Mr GAFFNEY - Yes.

Mr MOONEY - It all depends on the purposes and mechanisms that they are using. For example, the hunting of deer we would still be sympathetic with because we like to have the deer hunted from protected areas.

Mr VALENTINE - They are a feral species.

Mr MOONEY - Yes, but if it comes down to wallaby control or possum - and it is often to do with primary production - and some of our new reserves will be adjoining plantations and plantations have to have very intensive programs of what they call 'vermin control'. It is basically reducing the numbers of wallabies and possums and that and we will certainly be sympathetic with that because that is a bona fide industry that is adjoining ours but it does not necessarily mean they come on to our land to hunt; they will be hunting within their plantation area.

Mr GAFFNEY - It is one of those negotiating things you talked about before.

Mr MOONEY - Yes, for sure.

Mr GAFFNEY - A family who have been hunting in an area for 40 or 50 years, does it now come under different control or under this one?

Mr MOONEY - It all comes down to the circumstances because, as you would appreciate now, under the systems of permit issue for hunting of wildlife and holding a firearms licence, you have to have a good purpose and reason. There is no way a family can just continue to hunt; there has to be a purpose and reason now and we will certainly have that validated and work with the people who are involved with it now. It is fair to say that we will not liberate the process but we will certainly honour what is currently in place that is at a legal level.

CHAIR - Thank you. For the moment, we thank you for being here.

Mr MOONEY - We will be back.

THE WITNESSES WITHDREW.

Mr TERRY LONG, CHIEF EXECUTIVE OFFICER, AND **Mr LEWIS WAYNE BOULD**, PRESIDENT, TASMANIAN MINERALS COUNCIL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Harriss) - Terry and Wayne, welcome. I will not remind you about parliamentary privilege as you are both aware of that having appeared before committees in the past. Can we in the first instance take your evidence and your thoughts. Members are aware that you have made a submission to us.

Mr LONG - First of all, I would like to introduce ourselves. I am Terry Long, the CEO, and this is Wayne Bould and Wayne is the President of the Minerals Council. Our submission is relatively brief; it is only two pages, and we left out most of the adjectives to achieve that.

I would just like to bring to the committee's attention, Mr Chairman, as I have in the past, that the Regional Forest Agreement Bill 1998 or thereabouts did establish that under the national reserves system, Tasmania was judged to have a system which was known as comprehensive, adequate and representative and I would ask the committee to consider why that is no longer the case. We have not really seen any evidence to demonstrate why there is no longer comprehensive, adequate and representative and it is an important matter.

The other main part of our submission simply relates to the matter of reserve classification. I will briefly speak to the chain of events that led to this. We know that the bill before the House had a genesis in the Tasmanian Forest Agreement 2012 that was signed between 'the parties who were from conservation groups and some sections of the timber industry'. Therefore, you could reasonably assume that it related to timber and forestry. That was a timber matter. I cannot see how it could be viewed as being anything else. The shared objectives of the forest agreement itself between the parties talks, first, about a lasting end to conflict over Tasmania's native forest. 1B talks about the protection of significant additional areas of native forest. As you would expect, it is about forestry. They talk about their agreed reserves, presumably to give effect to this forestry agreement.

Then in 36 of the agreement they begin to severely overstep the mark. What they say is that government should deliver the highest appropriate land tenure protection on state and commonwealth law for the new reserves. The objective was to deliver forestry, it stated in the outset of the agreement, and given that nobody else except forest interests was party to the talks, you would assume it is about forestry and nothing else. But by talking at 36 about the highest appropriate land tenure, they begin the overstep the mark and in my view it is inappropriate because they begin to impact on people who are not party to the talks, are not bound by the agreement and who have no interest or part in the agreement.

I do not believe that, for the purposes of this exercise, that tenable position should be accepted by the members of the upper House. That spills over into the bill. We were talking about forests and protecting forests and limiting logging and so forth. But in section 9(5), making of proposed reserves, we begin to expand on the theme. We talk

about the activities, plural, that are to be prohibited on the land that can be proposed as reserves and so on.

So we have moved from a forestry agreement to an agreement that has broad impact and we do not believe that to be reasonable. I would like to hear an argument from either government or signatories that demonstrates it to be reasonable because it would be a difficult position to maintain.

If we move on from there and you consider that the deal is about forestry and to protect forests, assuming that the bill is passed by the Legislative Council and that is an assumption that I am making, but assuming that it is, we believe that the reserves that flow from it, that the Legislative Council should take the initiative on those and not leave it to the parties. The parties, in our view, have a snout in the tough. We don't believe it is tenable for them to have both trotters as well.

Laughter.

Mr LONG - What I mean by that is that conservation movement's stated aim was still in forestry. They should be prevented from impacting on other people who are not party to the agreement. That can be achieved by one other aspect, and that is that the forest industry is not going to be concerned about what sort of reserves they are because they are precluded from logging. So they can be a arboreal shrine, a national park, a temporal spiritual place; it's really not going to worry the forest industry because they can't log there so they have no interest, but it will be of great interest to the conservation movement and they will use the process to ratchet up the reserve category to try to preclude other uses as well. That's demonstrated to me by the process.

They have already helped themselves to 120 000 hectares of World Heritage area without asking anybody else whether it was a good idea. We don't believe that they should be able to help themselves to effective limitations or bans on other industries not party to the agreement. The way to circumvent that is for the upper House to take the initiative and declare any land that's going to be reserved under this agreement that falls within a strategic prospectivity zone to be a regional reserve. That precludes forestry so they should be jumping up and down happy with that. If I can demonstrate the regional reserve objective, among other things it provides for mineral exploration and utilisation of mineral resources and encourages tourism, recreational use and enjoyment consistent with the conservation of regional reserve, natural and cultural values.

So, it would meet the objective of banning forestry but apart from elevating the land status to reserve status, which makes it more difficult to do anything, it would preclude automatically those other uses so we ask the Legislative Council to consider that. You heard in earlier evidence that the Parks and Wildlife Service or the minister will look at the land and decide what it's going to be. We don't believe that they should have an option. If it's in a strategic prospectivity zone, it will have high prospectivity and that's why it's in a strategic prospectivity zone. It may have natural values, in which case it should be a regional reserve, end of story. In our view, to allow the process to run beyond that is untenable. That sums up my sentiment.

Mrs TAYLOR - That position is not wildly different from tourism's position, I suppose.

Mr LONG - It is. Tourism was saying, from my hearing of them, that they want tourism written in as a reserve objective.

Mrs TAYLOR - Yes, but in the discussion towards the end it was said that really all this bill wants to do is limit forestry activity and they said yes, if it just did that and just said no forestry activity then we'd be happy with that because it leaves the way open for possible other things.

Mr LONG - That's right but you don't need to write anything in or create another reserve category.

Mrs TAYLOR - No, exactly.

Ms FORREST - I do concede that, yes.

Mrs TAYLOR - So, I'm thinking that position would probably satisfy what they're talking about rather than introducing new categories.

Dr GOODWIN - Terry, I don't know whether you have had the opportunity to go through the amendments that were tabled yesterday.

Mr LONG - No, but we have them.

Laughter.

Mrs TAYLOR - You and us both.

Dr GOODWIN - My question relates to schedule A, the future reserved land, and bearing in mind you haven't had the opportunity to look at them. What I raised with Vica Bayley this morning was con 3 in schedule A, which outlines the purpose for which the particular lot is being reserved. Some of them refer to mineral exploration and development of mineral deposits in the area of land, et cetera. Then in column 4, it is described as an area of land with high mineral potential and prospectivity. My question to Vica was whether he was happy with the fact that mineral exploration will be allowed in those particular lots. He hadn't had the opportunity to go through all of those lots but the general tenor of what he was saying seemed to suggest to me that he wasn't particularly happy with the prospect of mineral exploration in those areas, even without knowing where they were, so I think your concerns are valid in terms of the ratcheting up. He also seemed to indicate - I am pretty sure it was Vica although it might have been one of the other witnesses - that they do see this as a bit of a template for them going after the mining industry.

I think those concerns are completely valid but I would be interested in your feedback on those particular areas that have been identified in this schedule when you come back to talk to us and whether there are any that haven't been flagged as potential for mineral exploration. It is not really a question; it is probably more a flagging of wanting further feedback. Did you see Vica Bayley's hearing this morning?

Mr LONG - No.

Dr GOODWIN - No, okay, well you may wish to review his evidence before you come back to us as well.

Mr LONG - In general it would be his position, if I could speak on his behalf, that they don't like mining or mineral exploration in any reserves.

Mr BOULD - The difficulty we have had with this is to try to take the legislation and picture what it would look like when it was enacted and then how a mining company such as I operate would operate in that environment. The difficulty in putting a submission together is to test legislation that has now changed again that isn't clear, where definitions aren't clear and it is difficult to understand what it is.

As an example, what I did was take the original legislation, sit back with my senior management team who have been in the mining business for something up to 40, 50 years and say: if we had to work with this, what are the kind of implications that would give us? As you tried to work through it, you couldn't actually get any clear understanding of what it was that we may or may not have to do and how we might be impacted.

That difficulty has been in this process all along and I know you are equally frustrated with it. I've read Greg's letters to the editor on a couple of occasions and I fully concur with your view. It has not been socialised to the extent where you can test the legislation before the legislation becomes legislation so I find the process very difficult from an operator's point of view. Again, here we are now with some information we were given last night and you are quite rightly asking us for our view of it but until I test it I can't give you anything on that.

Dr GOODWIN - I know, I fully understand that. I was just flagging that they are the sorts of things that we would be keen to get your feedback on when you come back and see us.

Ms FORREST - Regarding the issue of what you can and can't do in an area, that doesn't actually change now from areas that were preserved under the Nature Conservation Act.

Mr BOULD - I know what I am dealing with now.

Ms FORREST - Yes. When they came up with the list of the reserve pipeline, that changed things obviously when that occurred. The question I asked the department of what actually constitutes harvesting activities - and they said it relates to requiring a forest practices plan. If you were going to expand Savage River somewhere into the area that has got plenty of trees growing on it, either for a road to access an ore body, another tailings dam or whatever it was, would you require a forest practices plan to achieve that?

Mr BOULD - We currently go down that track regardless, just to be prudent. If we wanted to extend any of our footprint at the moment and that meant we would be required to remove trees, we make an application to Forestry Tasmania and say we want to cut down x amount of trees and move them.

They occasionally come and inspect them and when they do, they accrue what they believe to be a market value to them. Then they offer that parcel of trees to a licensed forester, a harvester, who puts a bid in to clear the trees.

If it's economic - and an example recently was that Forestry accrued a value of \$150 a tonne to the trees that we needed to move. The harvester said, 'I couldn't make any money out of this if I paid more than \$120,' so Forestry said, 'Well, we don't care, then you can bulldoze them but we'll charge you \$150 for the market value for the trees that you've bulldozed'.

We've got no intention of going to market with them, it's not our job, and we don't know what the market is and we've got no way of assessing the market value so when we have that kind of argument then we go back to MRT and luckily MRT has enough expertise in there at the moment to understand what Forestry looks like and they throw in the arbiter's flag and say, 'This is about how this should be assessed'. And it is that kind of process that I need to be able to test for any changes that are proposed in the way we deal with any trees that are on the lease, or anything that we might wish to do with them, so we can understand -

Ms FORREST - Currently on your lease, Wayne, are there areas that are under regional reserve status?

Mr BOULD - I don't know. I just treat it all the same, frankly. I believe my job is at the end of 30 years when we leave there to leave it in the condition that nobody will ever question or query and all there will be is a lake with some more water in it and if I have done the job properly and I have adhered to all the laws along the way and reflected a proper degree of social responsibility, that's what I will deliver. When it comes to managing any of that stuff we just take the highest common possible ground we can and that is where we go.

Ms FORREST - The comment that I think you made, Terry, was that clause 36 of the agreement where it says the government can deliver the highest appropriate planned tenure protection under state and commonwealth laws in your reserves, we can't change it no matter what we want to do as the agreement is the agreement. But you are saying that if the purpose of the agreement is to prevent trees being cut down basically then surely in the majority of cases you rightly put the highest appropriate land tenure will be regional reserves where you can't -

Mr LONG - Yes, and nothing beyond that because it prevents cutting down trees but not a lot else. It still makes it more difficult for other users, be it mining and mineral exploration companies or tourism people as it becomes a reserve, and because it is a reserve you have elevated approvals processes.

Ms FORREST - As Wayne was saying, he and I am sure other companies and certainly the ones that I have dealt with, take seriously any land clearing they do whether it is to dock a drill rig in or whether it is to be build a new tailings dam. They all take the environmental impacts very seriously.

Mr BOULD - I would like to think that if there was value in the timber, somebody would be able to extract it rather than bulldoze it and waste it. That is not good for us, not good for the state and not good for anybody.

Ms FORREST - On another point, the issue that we have a potential World Heritage listing on foot at the moment and also there is the National Heritage listing up in the Tarkine -

Mr LONG - They are coming at us from various directions.

Ms FORREST - Correct. I read in the *Advocate* today where Scott Jordan doesn't want tourism in the Tarkine either beside the mining, just as an aside; do you think there are linkages between these issues or are they completely separate?

Mr LONG - No, there are linkages.

Ms FORREST - What do you think the case is there?

Mr LONG - The environment movement is homogenous. People seem to think that the Tarkine National Coalition is different to Bob Brown and the Wilderness Society but basically they are all interconnected and they run multi-prong campaigns to reach the same objective and the objective is the big western Tasmanian national park. They are two-thirds of the way there and will end with a run now.

Ms FORREST - Mr Burke has made a determination and I think he thought he was going to make it before Christmas on the National Heritage listing.

Mr BOULD - I think the bushfires may have got in the way.

Ms FORREST - The bushfires or this process?

Mr BOULD - I think this process delayed it but I also think that - I'm not much of a politician but I reckon that you would look for a bit of clean air before you actually made the next step and the bushfires may have clouded that.

Ms FORREST - The bushfires didn't start until January.

Mr BOULD - I think that they were looking to make an announcement about now.

Ms FORREST - Just to clarify what you have said, Wayne, it appears that for most of your activities it is not required to apply for a forest practices plan but you go down that pathway because of your concern for the environment and trying to get the best value out of the land that you are looking after.

Mr BOULD - As a commercial operator I don't see much value in arguing things after the event. It is much easier to adopt an approach that says, 'Let's deal with it'. If it is arguable about whether 1 acre or 1.1 acre is required under the legislation then the simplest thing to do is to treat all of our activity where that is involved the same way honestly and openly and deal with it appropriately, and it just doesn't leave any door open for somebody to come back and find fault with this later on, which doesn't add value.

Ms FORREST - From what I understood Penny from the department said, there are forest practices that require a forest practices plan; you are saying you don't necessarily require it. You go down that path because you believe that's the best, most open and transparent way of doing it, but it's not required?

Mr BOULD - It's not required because other than in our mine lease there is a different requirement that says if we decide to clear vegetation, we need to seek approval.

Ms FORREST - But not if a forest practices plan necessarily?

Mr BOULD - It doesn't specify a forest practices plan, but we are required to seek approval to clear vegetation under the Environmental Protection Act, as well as for Forestry. It is just cleaner to be clean.

Ms FORREST - I'm not disputing that. Penny said when it was required, but it wasn't required and you chose to still do it. I think that would be a different situation, but that will need to be confirmed with the department again.

Mr GAFFNEY - I think it would be fair to say when we discussed this issue in the other place and in our Chamber there tends to be a majority of people who are very concerned about making certain the mineral industry is not adversely affected through this process. We listened to Mr Jim Adams yesterday, who is the CEO of Timber Communities Australia, and he was involved heavily in the RFA in 1998. Whilst, Terry, you've said the 1998 process was comprehensive, adequate and representative of biodiversity evidence, he was quite scathing about the impact of that RFA assessment in 1998. I think he said something like 11 000 jobs have been lost in the timber industry over a 15-year period.

So whilst the evidence shows it might be comprehensive, adequate and representative, the situation we are finding ourselves in now is that we have an industry that is falling on its knees. Through this, the signatories have said this is what they think they can do through this process to stabilise this otherwise decimated industry. Even though the mineral industry has concerns about it, how do you feel about the players in the last 15 years - the ENGOs and the industry - trying to get together to salvage the industry? Surely this is a positive because it's one of the main industries Tasmania has always had but in the state it's on a downward spiral. If the signatories believe this is one way of salvaging and stabilising that industry, isn't that good for Tasmania?

Mr LONG - Do you want a personal opinion, because I don't work in forestry?

Mr GAFFNEY - You made the statement that the reserve system was 'adequate, comprehensive and representative'. The person we heard from yesterday who was involved heavily in that said it wasn't; he said it was inadequate.

Mr LONG - I was heavily involved in it, too, and I said it was comprehensive, adequate and representative.

Mr GAFFNEY - Okay, but he's saying there are 11 000 people who have lost their jobs.

Mr LONG - It was nothing to do with the reserve system. It was the market.

Mr GAFFNEY - And they are trying to put in an action to stabilise that.

Mr LONG - No, they're not. While the industry is down, they're trying to introduce a whole raft of reserves to make sure they don't have a future. That's the way I see it.

Mr GAFFNEY - So you would save the RFA?

Mr LONG - Absolutely.

Mr BOULD - I think it's like waterboarding. At the end of it, you say anything you can to get off the board and get out of harm's way. A large number of the signatories you're talking about, in my personal view, have driven the industry to its knees and now they have it down to where they want it, they're going to tighten up the bow and say it's in the best interests to work this way. They've driven it there; the industry hasn't gone there willingly. It has been driven into the situation it's in and, given enough torture, you'll sign anything to get out of it. That's my view.

CHAIR - You are aware within this process - and you touched on it earlier so you are aware - that the World Heritage area nomination proposed for approximately 123 000 hectares. Are you aware of the prospectivity, if any, in that area, and then I would want to go to a connected question about areas set aside under the RFA which still allow exploration but may well be challenged under what we have in front of us. So the first one, the new nomination.

Mr LONG - The new nomination; the only official map I've seen on world heritage is the one which we tabled last time we were here. It demonstrated that, at that time, the proposal for world heritage went into the Mt Read strategic prospectivity zone. Certain things are not compatible. So it essentially devalues the principle of a strategic prospectivity zone, if you decide you're going to world heritage in that area. It's appalling.

The reserves that flow from this process will impact on the mining industry if they go into categories like national parks because you will not be able to explore where once you could.

CHAIR - That takes me to a specific one under the RFA up in the Great Western Tiers conservation area which was created under the RFA; it specifically allowed for prospectivity or exploration as I understand it. Are you aware as to whether that particular one will, in fact, be jeopardised under what you've seen of the maps for this process?

Mr LONG - I believe it will be but I'm not certain.

CHAIR - Again, under the RFA, my understanding is that World Heritage area nominations could only come from within the reserves created through the comprehensive adequate and representative process. What we're seeing here is clearly a departure from the RFA because the proposal is to create world heritage areas from outside those reserved areas. Under the RFA, my understanding is that there would have been compensation available to the state in the event that a proposal to prescribe or proclaim from outside the system.

I wonder where we sit. You may not be able to answer that. We probably need to ask some government people about that.

Mr LONG - I'm not sure of the legal underpinnings of it because it's not something I've studied but the current proposals for another 123 000 hectares just arise out of these talks between the conservation movement and a few forest people. It's been black boxed; it's voodoo as far as I'm concerned. I've got no idea where they pulled it from.

Mr BOULD - What we've been presented with, from a federal level, is that effectively a whole picture and contemporaneous map that says here are the other bits and this is what the whole thing looks like and, by the way, it includes the 123 000 hectares.

Laughter.

? **Mr LONG** - He's not pouring water on his answers to others.

Mr BOULD - What we're seeing from the federal level is a map that includes the 123 000 without being specified.

Ms FORREST - On that point, I know you've only just got the maps and haven't had a chance to look at them but is it possible and I'll be asking this anyway if it gets through or to the point where we're actually debating it because these are the sort of things we need to have clarified as to those areas that fall in the strategic prospectivity zone which the [Tasmanian] Minerals Council and MRT are best placed to know where they are - are they being categorized or under that reserve status that allows ongoing exploration to occur. Are you able to look at that?

Mr BOULD - We have done. The MRT database is world class and quite exceptional. The information they have, the categorisation that is being done by Dr Large previously, et cetera, is empirical science. It's there; that's what it is.

Ms FORREST - Can you line it up with the maps -

Mr BOULD - We can and we have done. Our difficulty has been the ever-changing face of the maps and the fact that some of the maps that have been produced have either been deliberately grey, in the sense that the boundaries are not specific or they float quite a lot. One of the difficulties that we have with MRT is trying to get hold of it, understand what the footprint means and understand exactly where it fits in that designated high-prospectively zone.

Ms FORREST - The maps that were provided to us and anybody else yesterday are the maps, we are told now, so are you able to do the same?

Mr BOULD - They are lacking a little of the quality that we would normally expect, but we can have a go at it and we will.

Ms FORREST - The department told us they are going to have to provide further maps to assist with that process.

Mr BOULD - The problem is that you look at that and then we will get another overlay from the federal people with another definition of what they think may or may not be appropriate to the World Heritage listing. The two flow together; that is the problem. You cannot isolate one from the other, which is what we are being asked to do. Every time we have a look at the thing, we take the IGA maps and then we have a look at the World Heritage maps and try say what is in this footing. That is what MRT have been trying to deal with as well in terms of supporting people being able to have a reasonable view of what is happening.

Ms FORREST - You will look at these maps and get back to us?

Mr BOULD - Absolutely.

Mr WILKINSON - There is talk about jobs being lost. Will there be jobs lost in the mining industry as a result of this agreement because it may have a flow-on or it may not. It probably will. I am wondering whether there has been any study on whether it would have any effect on the mining industry and what effect it would have on both investment and employment?

Mr BOULD - No, we have not done the study. A bit like the TFGA, we do not have the resources to deal with it. The proponents seem to have a lot more resource than we have.

Mr WILKINSON - Have you been shown anything from the proponents as to whether it would affect the mining industry?

Mr BOULD - We have not been part of the process at all. When we look at it, without having the legislation finalised and without understanding what the impact might be, the first thing that an operator like me does is look at operator costs, so what is it going to add to operating costs. In a world market where I compete in US dollars on the world stage, not too different from what the forestry people do in their own way, it is all about my operating costs and whether or not I can deliver a profit for the shareholders et cetera. The first place I would look is that. I do not know what impact this would have, which is why the process I was alluding to before is that I would try to test it to understand what it adds to the cost of my doing business.

Could it cost jobs? It may not cost jobs initially today. One of the difficulties we have is that investors are not all Tasmanian investors. Investors in mining these days are global investors and global investors look at putting some money into something and understanding that in five years time this prospect will have been converted to something that will deliver value for money. Either as a director investor or as a shareholder, that is the kind of thing they look at.

When I travel through South-East Asia to visit my shareholders and report to them, the questions are all the same. They are extremely dubious about making commitments to put capital up when they are unsure of the likelihood of that return being affected. Mining businesses cost a lot up front with your compliance requirements and you have to do all your environmental studies. Your mine closure plan has to be in place before you even start working on it et cetera. There is a big up-front number to do a feasibility study for any new mining opportunity that you are going to do. Whilst guys like Venture have managed to put together a nice model, the next piece is to get that feasibility study rolled

out. That could cost them \$100 million to \$150 million. You have to find investors that are willing to stump that money up. They are not willing to stump it up when they are unsure about the control processes in place, the surety that you can operate as you have planned et cetera. That is the biggest concern. It might not cost a job today, Jim, but it could well cost a job opportunity tomorrow.

Mr WILKINSON - Are you able to give us an indication as to the amount of people employed in the mining industry at the moment?

Mr LONG - We have a survey that is about two years old. There are about 3 500 directly.

Mr WILKINSON - Also the money it brings into the state?

Mr LONG - Just the mines, not the mineral processors, spend about \$350 million a year on goods and services in the state - buying things from small companies.

Mr BOULD - We spend \$400 million at Grange.

Mr WILKINSON - And the royalties?

Mr BOULD - The royalties are about 5 per cent of our income.

Ms FORREST - \$51 million in this year's budget.

Mr BOULD - Yes, \$51 million in this year's budget.

Ms FORREST - In the state budget. That is not just Grange; that is all of them.

Mr HALL - Terry, I think you had an exchange with Mike about the RFA a while ago. My question was about the timing. Instead of the process we have just had, would it not have been better to have had a full, scientific, rigorous process, like an RFA again, if we were going to do something. Bear in mind, of course, in November last year there was a Federal government inquiry, chaired by Dick Adams, which verified the veracity, if you like, of the RFA process and strongly recommended that it be reviewed every two or three years. Do you think that is the way we should have gone?

Mr LONG - The RFA process is well defined and science-based. It is open, inclusive and defensible, whereas this process is pretty much the opposite. In a democracy I find it really weird.

Mr WILKINSON - In any business where you are looking at locking up the state, putting it into reserves or whatever it might be, there is a necessity to look at all businesses that are affected by that locking up. It concerns me that the mining industry was not spoken to about it. Are you able to get into the tent, so to speak, as opposed to being locked out of the tent, because the mining industry is a huge industry for Tasmania? You should have the ability even now to have your points of view put forward, especially if it is going to affect you to the extent that you believe it might.

Mr LONG - I believe it is far too late in the process to join it because all we are arguing about is whether you can contain the reserves to simply those which eliminate forestry or those which eliminate everyone. I am not sure that Wayne agrees.

Mr BOULD - I do not think it is too late. The problem is that the bill is what it is and I do not think it was adequately tested before it was drafted so that it considered other people's interests. It was quite singular in its approach. It does not respect the fact that other people are out there and need to deal on the fringes of this thing and do something with it. A good example is the beekeepers. If we denied access to Blue Hills then 50 per cent of their honey volume would disappear tomorrow and they would go broke because they access our mining lease. It is that kind of impact I do not think has been thought through, nor the process such that if you are operating a business and you have to do this today then how do you transact? What is it you do? If I need to cut down a tree, what is the process I need to go through to cut down a tree and what impact does that have on my operations? Does it slow it up, have the potential to delay it, have the potential to add cost? You can't deal with any of that at the moment with the bill because you can't see what it looks like to that degree. I and other miners would be more than happy to sit down and say, 'How do you work through this stuff, guys?'. You have thought about what you want in terms of protection et cetera, we understand that, but how do you actually work it? How does it slot together? Nobody has done that.

Mr VALENTINE - You have never had an opportunity to be involved?

Mr BOULD - No.

Ms FORREST - Were you ever asked to be involved at any stage?

Mr BOULD - No.

Ms FORREST - I thought in a discussion at some stage you said it was too late; you invited us in but it was too late.

Mr LONG - Recently Bryan Green, after the deal was done, offered to give us a briefing on what it looked like. I declined on the basis that we will find out in parliament. There was no opportunity to influence it. In my view it was simply a political manoeuvre in order to say we had been consulted. That might be a bit harsh but I wasn't in a very pleasant frame of mind to be invited in after the deal was done.

Mr DEAN - Was there any involvement at all or a submission to them? You weren't approached by anybody sitting around the table at any stage?

Mr LONG - It was worse than that actually. Midway through the process we realised it was going to have an impact on us. Bill Kelty had been appointed head honcho, I can't remember his exact title, and I tried on numerous occasions to get his attention to see if we could get a seat at the table, but I could never contact him and he never returned my calls. Even though it has been suggested to me by someone in the Department of Infrastructure, Energy and Resources that I should ring him up to get involved, he couldn't hear me.

Mr DEAN - You made special efforts to contact him and no return to your call?

Mr LONG - No, it was studiously ignored. I did have the opportunity to point this out to him at a later date.

Mr DEAN - What happened as a result of that?

Mr LONG - He didn't say anything.

Ms FORREST - Obviously Ross Large was involved in the verification group to look at mineral prospectivity, so how did that come about then?

Mr LONG - I guess they needed someone with comprehensive knowledge and an international reputation in mineralogy to give a bit of gravitas to the mineral potential matters in the IGA, so they asked him to do that. Ross is an eminent geoscientist.

Ms FORREST - Yes, I am not doubting Ross's credibility.

Mr BOULD - That was done through MRT, not through us. That was directed by the government for the government.

Ms FORREST - I understood that MRT made representation that that should be included in any verification of areas, so there was that consideration given to the importance of the mining industry in this whole deal at that point, in the verification. Ross Large's report didn't receive anywhere near the media attention some others did, but it was still a really important part of that whole process.

Mr LONG - But to what extent people took any notice of it, or chopped it, cut it and shut it, you wouldn't know because it was all a black-box process.

Ms FORREST - It was still there, though.

Mr VALENTINE - Was Ross's report ever considered by the Minerals Council?

Mr LONG - We didn't see it.

Ms FORREST - It was publicly available, though.

Mr BOULD - I don't really think it's our job to chase those things and if it's publicly available then it's publicly available. The issue is that the comments made by Ross Large are correct and they do refer to prospectivity. What nobody bothered to do in this exercise is look at how commercial operations operating today will be impacted by this legislation or how anyone who is starting up tomorrow will be impacted by it, and how they're going to operate in that environment. That is the concern that the Minerals Council has, probably to a larger degree than whether or not prospectivity was classified as super high or merely high or whatever it might have been.

Mr LONG - Ross's maps on prospectivity will be consistent to those that we've used for years in the Mineral Resources Tasmania. The same sort of people put them together. Everyone knows what it is; it's a very advanced science.

CHAIR - Thanks very much, Terry and Wayne. You, like many other people who have a legitimate interest in this process, haven't yet had time to digest the information we were provided with yesterday. We have talked about that as we've gone through this process. We would ask you to consider whether you wish to provide a supplementary submission or whether it would be more productive for you to appear again before the committee.

THE WITNESSES WITHDREW.