

UNCORRECTED PROOF ISSUE

Thursday 1 July 2010 - Estimates Committee A (Green) - Part 1

LEGISLATIVE COUNCIL

ESTIMATES COMMITTEE A

Thursday 1 July 2010

MEMBERS

Ms Forrest
Dr Goodwin
Mr Hall (Chair)
Mr Harriss
Mr Wilkinson

SUBSTITUTE MEMBERS

Mr Wing

IN ATTENDANCE

Hon Bryan Green MP, Minister for Primary Industries and Water, Minister for Energy and Resources, Minister for Local Government, Minister for Planning, Minister for Racing, Minister for Veterans' Affairs.

Department of Primary Industries, Parks, Water and Environment

Kim Evans, Secretary
Michele Moseley, Deputy Secretary
John Whittington, Deputy Secretary

Robert Cockerell, General Manager (Corporate Services)
Wes Ford, General Manager (Primary Industries)
Penny Wells, A/g General Manager (Resource Management and Conservation)
Kate Kent, General Manager (Information & Land Services)
Alex Schaap, General Manager (Biosecurity and Product Integrity)
Tony Wright, Deputy Director (Inland Fisheries Service)

Department of Infrastructure, Energy and Resources

Norm McIlfatrick, Secretary
Bob Rutherford, Deputy Secretary
Amanda Russell, General Manager Corporate Services
Tony Murray, General Manager, Racing Services Tasmania
Steve Long, Manager, Resource Management
Tony Brown, Director, Mineral Resources Tasmania
Michael Leonard, Director, Major Infrastructure Projects

Department of Justice

Lisa Hutton, Secretary
Michael Stevens, Deputy Secretary
Chris Jacoora, Department Liaison Officer
Peter Fischer, State Planning Adviser
Peter Poulet, State Architect
Hadley Sydes, Chief Executive Officer, Sullivans Cove Waterfront Authority

Local Government Office

Jessie Byrne, Director, Local Government Office
Alastair Scott, Deputy Director, Local Government Office
Greg Brown, Director, Partnership Agreements

Ministerial Staff

Gary Swain, Head of Office
Karen Vadasz, Senior Adviser
Peter Pearce, Senior Adviser
Pam Voss, Adviser
Cheryle Hislop, Adviser
Alison Turner, Adviser
Erin Mahoney, Adviser

The committee met at 9 a.m.

DIVISION 6

(Department of Justice)

Output group 10
Resource Planning

CHAIR (Mr Hall) - Welcome, Minister, and your people at the table whom I will have you introduce in a moment for the purposes of Hansard. You have seven areas of responsibility and we have nicely time slotted those in so we do not do 11 hours as you did in the other House the other day. Would introduce your members of staff at the table, please.

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Mr GREEN - Lisa Hutton, Gary Swain and Michael Stevens are here.

CHAIR - We will go straight into planning.

Mr GREEN - May I make a brief introduction with respect to planning?

CHAIR - We are always nice and succinct on this side and I know that you will be on your side as well.

Mr GREEN - I would like to make a small introduction to this output group as I consider one particular planning initiative will contribute significantly to the economic direction and development of the State and it is worthy of an opening comment. I am also confident that this initiative is of particular interest to members and my statement will not only advise members as to the progress being made but will assist with questions and give members some indication as to the program's future ongoing direction.

I refer to the Regional Planning Initiative and as such I would like to take a moment to bring the committee up to date with this program as I feel the program encapsulates what planning and micro-economic reform is all about. Not only will the program deliver a strategy for land use planning for each region of the State, it will also deliver 30 new council planning schemes and a new set of consistent planning provisions for all stakeholders to work to. As the new Minister for Planning I intend not only to build on the work that has already been done but also to make this program my highest planning priority.

As members would be aware, the Government previously allocated \$2.25 million to fund preparation of the land use planning strategies at a regional level, which will underpin the new and consistent planning schemes that I referred to earlier. We must not forget that three-quarters of the State's planning schemes are more than 10 years old and many were prepared well before the current Resource Management and Planning system was introduced in the early 1990s, which is a dreadful situation in my view. I am pleased to say that there has been considerable progress on the regional planning initiative since its inception, although I do acknowledge that there has been some minor spillage in time frames in each regional program.

Members would be aware that councils in the three regions of the State signed a memorandum of understanding with the Government to give effect to the development of the Regional Land Use Strategy and reviewing current planning schemes and I am assured that all parties remain committed to this program. Since becoming minister I have become more aware of the complexities involved in the regional program and to the extent to which the data-gathering and the analysis is required to be undertaken. Also I do not underestimate the difficulties, particularly in trying to reach consistency in relation to planning scheme provisions. I am sure that you would all understand the difficulties in trying to get 29 councils to agree on a standard set of planning scheme provisions and that is, of course, one of the prime objectives of this program.

To assist with the preparation and implementation of the regional planning initiatives, the new Tasmanian Planning Commission is now playing a more active role and this has resulted in delivery of a strong focus to the program. Given this responsibility, I consider it timely for the commission to undertake an audit of the current status of the regional project and the agreements to underpin them. The audit will not interfere with the timing of the project, but will confirm its direction and focus.

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The Tasmanian Planning Commission have advised me that early indications from the north-west and northern regions suggest these projects will be completed by the end of this year. This means that there will be a regional land use strategy and new planning schemes for those two regions, ready for implementation at about that time. It is anticipated that the southern region, which commenced its work some time after the north and north-west regions, will deliver its work later next year. I cannot stress too strongly that this work does not finish with the finalisation of the regional strategies and its completion of the council planning schemes.

I am committed to ensuring that the work that resulted from the initiatives is ongoing, so that both regional strategies and the resultant planning schemes are able to be kept relevant and up to date. As such, the commission's audit that I referred to earlier will consider options for implementing the project that comes and will consider the ongoing systems for the maintenance of both the regional strategies and the new council planning schemes.

What I am saying there is that I want to make sure that we are in a position, once we have these initiatives and the planning schemes in with each of the councils, to continue to modernise the system so that we do not fall into the trap of having an antiquated planning scheme that has not been updated. In other words, we will continually update and that will mean that councils will save a significant amount of money in having to upgrade their planning schemes on a five-yearly basis, as they are supposed to do. So, if it works well I am sure it will make a huge difference to micro-economic reform in Tasmania and certainly provide the consistency we have all been after for a long time.

CHAIR - We will start with a couple of overview questions, Minister, that I am sure other members will have. We will want to talk about regional planning in a moment. What impact has the Government's budget management strategy in this area of planning had?

Ms HUTTON - I could make a general observation and then perhaps Mr Stevens may have some more particular things to say, but Mr Hall, the simple answer is that this output has had the same budget management strategy applied to it as the rest of the agency all this year and that is reflected in the Budget.

CHAIR - I will talk about the Planning Commission when we get down to the line output. Have all your election policies been budgeted for in this area?

Mr GREEN - Yes.

CHAIR - They were, okay. I think what we will do is widen it up and we will get into the Planning Commission and the regional planning in a moment. We will move straight to Paul Harriss, who has the State Architect as the first line output of this, 10.1.

10.1 State Architect -

Mr HARRISS - The first question, Minister, would be the major activities/achievements of the State Architect since the appointment of fairly recent times - some time last year, as I recall. Then I want to move to having a look at specific matters related to the State Architect's role, if I can.

Mr GREEN - As in the plan?

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Mr HARRISS - No, just a couple of specific matters related to things like whether he has been involved with Parliament Square and planning advice on Sullivans Cove, et cetera. The first question, Minister, is: what are the major achievements or the major roles with which the State Architect has been tasked since the appointment?

[9.15 a.m.]

Mr GREEN - Peter, if you like you can come to the table because it may well be an opportunity to talk about some of the work that you have been doing yourself, if the committee is interested to that extent. But obviously the State Architect will bring an independent professional view of how individual projects fit within or into the broader picture and we want to understand where our environment is heading, and these are all issues that Mr Poulet is very passionate about and I am sure will make an extremely good contribution to. In his first year in the position, Peter has been leading the preparation for the master plan for the Hobart waterfront and this process is almost completed. It has been a significant undertaking in itself that I might get you to talk a little bit about if the honourable members would like that. He has also been working to make a contribution to some of the key projects in Hobart, such as the TMAG redevelopment.

You have already built a strong working relationship with stakeholders, the Institute of Architects, the Launceston City Council, the University of Tasmania's School of Architecture, which is also based in Launceston. So I think there has been a lot of work going on and, of course, I am just coming up to speed with respect to the master plan and its interface with the Sullivans Cove Master Plan.

Take it away, Peter.

Mr POULET - Thank you for the opportunity. It is 13 months to the day since I commenced employment here and, because I am the first appointment of a State Architect, it has been a matter of building those networks and the trust and understanding of what I do. I understand that will be an ongoing process, however I think I have scored some runs on the board and in fact the master plan was an opportunity to meet a substantial cross-section of the community over the past 12 months. However, I am not just Hobart-centric: I have worked as a delegate for the Planning Commission on some matters in Penguin, I have travelled to Launceston on numerous occasions, I have been made an adjunct professor at the university. I am building a good relationship with the university, which I think will strengthen my position further. I have met with many of the local council areas in the immediate vicinity and part of the reason for doing that has been that I need time to understand Hobart in its greater context, in the region as well. I have also had good dealings with the Office of Climate Change. In fact, I have made a presentation to their members in a public forum which was accepted well because part of my charter and part of my interest is in sustainable communities and livable communities for Tasmania, therefore that is something that I advocate at every possible turn and that was a great forum to do that in.

I have participated in numerous smaller events; I have spoken at the university a couple of times and what have you. In a nutshell, it is a matter of advocating for quality design, good urban outcomes, sustainable buildings and quality architecture.

Mr WILKINSON - If there is an architect who, let us say, designs a building for Sullivans Cove, that design is for a private company. Do you, then, come in over the top of that person to see whether it fits with the plan or it fits with how the precinct is supposed to develop? I would like to understand your relationship between the two.

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Mr POULET - There is a planning scheme which puts certain parameters on any development in the cove. The master plan is a recent and new overlay on that, which is an aspirational document. Part of the idea there is that we garner the future of the cove in a document which tries to balance a number of community views of the cove. At the moment, that document does not have any statutory teeth as such, but I would like to think that it will ultimately inform the planning scheme and subsequent amendments.

As an individual or as State Architect, there is not a formal mechanism to involve me. However, I have recently been appointed as a member of the Design Panel for the authority so any projects that come to that panel I will get to see, but that is only a recent outcome.

Mr WILKINSON - Are there any things that you would like to see changed in relation to what you are doing now that you cannot do because of any legislative hindrance of anything like that?

Mr POULET - I think the cautious approach is appropriate, and that we see how best to use the role in government. Ideally government projects should be exemplars of good, sustainable design and I think I can contribute there. I would like to think for strategic government projects I should be involved. I am not sure whether that should be mandated, or whether it should be informal as it is currently. I believe that I bring to the table and to those projects a skill set that is not always available within the individual departments that are procuring those projects. Also understanding the strategic context - what community and government aspirations are for the built environment - is something I bring to project planning.

Mr WILKINSON - Let us say Parliament Square, for example. You are the State Architect. The building has already been designed. Are you having any say in relation to that? Are you having any say in relation to the fit-out for climate change, et cetera?

Mr POULET - I have not been involved to that level of detail, although I do commend the fact that it will be a five star building. That is industry best practice in Australia at the moment. I will be involved because of my involvement with the Sullivans Cove Waterfront Authority, as somebody who will look at the development application when it comes in. I was not involved in the earlier days because I had not been appointed; however, I have been consulted by the proponent about how it fits in the greater master plan context that I was developing at the time. People understand that I have something to contribute, but it is a little haphazard at the moment. Maybe it should be a slightly more formal mechanism that involves me in those critical projects.

Mr WILKINSON - Is there a formal mechanism in other States in relation to a State Architect that you are talking about?

Mr POULET - It varies from State to State. There is now a State Architect or Government Architect in every State bar the Northern Territory I believe. In all instances, the role is similar - advocating for quality and for sustainable outcomes. It depends where the position sits and the level of interest for government as to how involved those people get in individual projects. They are mandated, in certain instances, to be involved in significant projects and how that is defined is variable.

Mr WILKINSON - If you had to pick any of the States, which State would you suggest would be the ideal model?

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It is probably a question Peter can answer better than anybody because of the architectural experience that he has.

Mr GREEN - We are always willing to learn but there are variations in all jobs. In most cases they do not have a legislative basis. It is more about policy. I only met Peter for the first time today. I am looking forward to sitting down and having a lengthy chat, given he has been away on leave. There is no set plan here with respect to responses to questions.

Mr POULET - It is an advocacy role, which brokers between a community with aspirations and a government with aspirations as well, specifically in the built environment. The models across the country are very different. New South Wales actually does architecture. I do not believe that is necessarily the case. I think it is better to be in that role which helps understand what is required and advocates the matter.

Mr HARRISS - You have mentioned the Sullivans Cove Waterfront Authority, and Peter has said that he has a role to play advising about the Sullivans Cove Waterfront Authority. I want to understand more of Peter's role there; how prominent it is, and where Peter's role fits into the overall scheme of the Sullivans Cove Waterfront Authority. I want to raise some questions about the cost and the outcomes of the design competition, which we had some time ago.

Mr GREEN - He is a member of the Design Panel and has been recently appointed.

Ms HUTTON - The Design Panel is formally provided for in the Sullivans Cove Waterfront Authority Act, as you would no doubt be aware. The authority has an obligation to refer all projects to the Design Panel for advice, within the Design Panel's sphere of competence. Mr Poulet has been very recently appointed - within the last couple of weeks - due to one of the other members' appointments expiring, therefore his role there would be more a future one, rather than one of past practice.

Mr GREEN - So you had questions specifically about the cost?

Mr HARRISS - I want to try to understand a bit more about the Design Panel. Who constitutes the Design Panel and when was it established? Then we will come to the question about what happened to the design competition and the various designs that were submitted, and whether account will be taken of any of those submitted designs going forward. I think, from Peter nodding, he understands what the response will be.

Mr GREEN - This is Hadley Sydes, the CEO of the Sullivans Cove Waterfront Authority. This is going back a little way, before Mr Sydes' time as well, but can you make a contribution?

Mr SYDES - The legislation that sets up Sullivans Cove Waterfront Authority has one thing that is not uncommon in Australia, and that is a reference panel, which you go to for advice. What is unusual compared to other authorities in Australia is that we are mandated to go to it for practically everything we do. There is almost nothing we do which is excluded from seeking of advice. While the authority will ultimately make the decision on a planning permit - and it is important to remember for all the descriptions and what is said about the Sullivans Cove Planning Authority, essentially in legislation it is a town planning agency - it has other aspirations; it probably pretended to have others, to be honest, but in fact under legislation, it is a planning authority - it must go to the Design Panel before it makes a decision on anything and seek the Design Panel's view.

The Design Panel is constituted under the Sullivans Cove Waterfront Act. It has about eight or nine disciplines such as town planning, engineering, surveying, environmental matters, legal matters and any other matter - I think it says - which can constitute the panel. We have four members. They tend to be in the design, architectural disciplines - some heritage experience - and all matters are referred to them before the authority considers it.

[9.30 a.m.]

Mr GREEN - Do you have the names?

Mr SYDES - Mr Rob McGoram is the Chair. He is a very experienced project architect and an architect who works on large-scale urban design in Victoria and has a national reputation. We have Leigh Woolley who is a local architect and he is probably the authority on waterfront issues and design and is highly respected; Nigel Bertram, who is a lecturer in architecture either at the Melbourne University or RMIT, and has also been in private practice and is well known as an architect with urban design skills; and Peter Poulet, who comes as a rounded person as well. I would say it is a panel that constitutes people of national eminence in their field.

Mr HARRISS - Then to the use to which the design competition submissions will be put.

Mr SYDES - The design competition predates my time here. I have had a look at the various designs that came in and some of them are interesting.

Laughter.

Mr WILKINSON - You are very kind.

Mr SYDES - I can only say, I am not one prone to run design competitions. However, they have been of some use but I think they are probably never going to be what you are going to build. However, I think Peter had a look at all of them to get some ideas. I think Jan Gehl will have a look at them when he does the Hobart City plan and I am sure there are a lot of elements in that plan which he will draw on because a lot of these entrants in fact were European people. Nearly all the local firms entered, and local students too. It gave them an opportunity to do something that probably is not afforded here, so I think we need to see it as that, really - an opportunity for some career development and a shopping list of ideas that you can draw on for later. I don't think there will be a single answer in any of them.

Mr WILKINSON - You can be after a gem and the gem could come in. So even though it can be criticised, if a magnificent development plan came in, people would be patting it on the back and saying what a wonderful idea.

Mr SYDES - You can get lucky, that is right.

Mr HARRISS - But you did not get lucky in the first round?

Mr SYDES - With anything you would want to do in Sullivans Cove, I think you would probably find that one of the entrants would have mentioned it. I think the confusion is that there are so many varied suggestions and that you are back to choosing between them. So you need other criteria.

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Mr HARRISS - I suppose the Sullivans Cove Waterfront Authority is a significant part of what Peter has been tasked with contributing to since his recent appointment to that organisation and the Design Panel.

I saw somewhere in the last week where, Minister, you made the comment that at a stage, the responsibility for the development of the waterfront will in fact be handed to the Hobart City Council or did I get that wrong? Or are we going to retain this separation?

Mr GREEN - We have made it clear now for a period of time that the position is well understood that the Premier has indicated in writing to the Lord Mayor with respect to the hand back of the Sullivans Cove Waterfront Authority's work. He has indicated to the Lord Mayor that, as he mentioned in his letter on 6 March -

'It is the Government's position that the planning functions ultimately should be returned to the council once appropriate planning parameters are in place. These parameters will be largely informed by the Sullivans Cove master plan.'

Which we talked about earlier.

'The community consultation period for the draft master plan has concluded. It is my understanding that the State Architect, Peter Poulet, will present the final draft to me shortly along with the accompanying implementation strategy. I understand that the Council is represented on the Master Plan Steering Committee and has provided input into both master plan and the implementation strategy.

I am expecting the implementation strategy will make a number of recommendations regarding the management and development of Sullivans Cove including potential options for governance arrangements into the future.

Once I have had the opportunity to consider the implementation strategy I will be consulting with the Council, the Sullivans Cove Waterfront Authority, TasPorts and the Tasmanian Planning Commission about how best to progress the recommendations.'

So there is a process to work through. Obviously the master plan and the implementation of recommendations within the master plan will govern the progress of the handback of the role.

Mr WILKINSON - What concerns me is that we have a situation where we have investors coming in - let us use the Ralphs Bay example if we can. A person does not know whether they can build certain projects in certain areas. Ralphs Bay is a typical example. The only way that that was to be known was to go through the process. It meant that a developer spent well over \$10 million to pack his bags and go home.

Is there going to be a statewide plan both within land and outside land so people who come to Tasmania would know if they want to invest that they have still to jump the hurdles but they are able to develop to the degree they want to develop in those certain areas? At the moment it seems to be a bit haphazard and hopefully the plan is going to sort that out.

Mr GREEN - There have been some changes with respect to the way decisions are made about planning in recent times. Obviously we have the Planning Commission. The Ralphs Bay project went through the planning process effectively and did not come out the other end.

Having said that, I think that the Premier has made it clear with respect to, say, canal developments that we perhaps should have a more consistent position so people understand exactly whether or not their project is going to fly or whether there are going to be fatal flaws with respect to the process and progress of it to begin with.

I would agree with you that there needs to be some consistency there. We have the Regional Planning Initiative and the planning schemes handed down as a result of that and an ability to modernise those schemes with respect to a range of changing environmental issues or changing views about what we want to see with respect to our building environment going forward and what we want to protect from a coastline point of view. All of those things need to come into play.

Consistency is the key, I agree. Once we have that consistency, I think developers will be in a much better position to invest. I think it is very important for local government to play a role in the continued development of Tasmania and therefore the economic growth of Tasmania as a result. I have been encouraging local government to think about how they can play a role. I agree with you that consistency in planning is the key.

I am reminded that we have \$230 million worth of investment or development going on effectively right around us and will have approved, so we have some significant development happening here as a result of the authorities working in the planning processes. While a fair bit has been said specifically about the Sullivans Cove Waterfront Authority, we are now at a point where we are seeing the fruits of previous labour and the confidence that that will bring in this significant development taking place in what is a special part of Tasmania, an area where there has been a lot of discussion between the various parties with respect to what might be able to be achieved in this place - and in the end, what I would describe as a good degree of community consensus on the projects themselves.

10.2 Tasmanian Planning Commission -

CHAIR - In regard to resourcing, I notice that is down by nearly \$1 million for the Tasmanian Planning Commission for this coming year. Can they do the job, particularly facing all the challenges that they have with regional planning? We have dropped down from \$3.7 million to \$2.8 million.

Mr GREEN - Michael Stevens will add the detail to that. Effectively, it relates to projects being completed. The regional planning and investment strategies funding was completed. The Tasmanian Planning Commission received an additional \$200 000 as a result of cost pressures. But overall, from the discussions that I have had with Greg Alomes, he seems to me to be well and truly at it and he has not raised any specific issues with respect to the budget.

CHAIR - They are satisfied. As you say, there have been a couple of projects completed, so they are satisfied that there is enough money.

Mr GREEN - The underlying budget is intact. You get swings and roundabouts with respect to various projects. But Michael, if you could add to that.

Mr STEVENS - In very broad terms, \$500 000 for the regional planning and investment strategies was over a particular period of time. That money has been spent and we got approximately \$500 000 in retained revenue from previous projects which are not planned for this year. So that is \$1 million and then back from that we got \$250 000 through the midyear review. It is about \$800 000 difference which explains the difference, so that is specific.

CHAIR - That clears that question up for me. Minister, in your overview at the start you talked about the regional planning and I have to say that I am a strong supporter of that because we had our select committee three or four years ago, and that was one of our recommendations that regional planning was a very necessary part of the system. I have to say, and other members get the same coming through councils, there is still a lot of frustration out there; I have an e-mail here this morning and the language is too colourful to read out here, and I am referring to Meander Valley.

Mr GREEN - Is that from a constituent?

CHAIR - From a constituent, talking about the frustrations with being able to move on.

Mr GREEN - Move on with a specific project?

CHAIR - Yes, to move on in terms of rural land and the fettering issues and those sort of things. I have encapsulated a couple of remarks I pulled off the Meander Valley website this morning. You talked about how many planning schemes were out of date, and there are still many of them.

Mr GREEN - There are.

CHAIR - When I was in the Meander Valley in 2000 we started our new draft planning scheme and it is still not finished - and here we are in 2010.

Mr GREEN - And you would have spent a lot of money to get to that point.

CHAIR - Yes, we spent a bucket of money.

The council's comments are:

'Despite the Council's best intentions, the progress of the project was further complicated by the State Government review of the PAL policy'.

We all know about that, it has gone through the Chamber.

'Council was advised in mid-2009 that they were finalising that review. As a result of this, Council deferred progressing with their draft planning scheme'.

Et cetera.

It did become law, as we know. However, then the State Government had also implemented the Regional Planning Project across the north, north-west and south of the State. That had substantial implications. So right now, what they are saying is they are in no-man's-land, they

cannot progress any further, and, once again, it has slowed up. So for a lot of it they are still operating under old provisions of the old Planning Scheme of 1995. I am just putting the frustration on *Hansard*.

[9.45 a.m.]

Mr GREEN - In context Tasmania is still - I do not know how they are going in other States - from an approvals point of view one of the fastest in the country, if not the fastest in the country with respect to approvals.

CHAIR - Approval of schemes, you mean?

Mr GREEN - Approvals of development applications.

CHAIR - DAs?

Mr GREEN - Yes. The approvals process is still swift, compared to other States. I am not suggesting that that is fast enough by any stretch of the imagination. What I will say with respect to the planning issue is: yes, there is probably a frustration. But in the first place we have resourced this to an extent that the work can be done. It is hard to get everybody on the same page, there is no doubt about that. We have made a lot of progress in that regard and we have indicated that we should be in a position - if the advice that I have been given is correct - and I maintain a strong focus on this, day-in day-out, that both north and north-west will be completed by the end of this year. Once that is done, a lot of the issues that you have raised about the frustration of people, I hope, will evaporate. Really, that is the key.

CHAIR - Has the southern area still been held up?

Mr GREEN - The southern area started later and it will be completed later. People have understood that. In fact, I attended a breakfast recently with the Property Council, where two of the people responsible for doing the work on the planning initiative in the south talked to the Property Council about the complex nature of the job that they have in hand. I have to admit that that was the first opportunity I had had to listen to somebody who is involved on a day-in day-out basis with respect to the planning initiatives, and to try to seek the consistency that we are all after. When you listen to people talk about the task in hand, it is large - mind-bogglingly large in some respects.

CHAIR - It is a complex area.

Mr GREEN - It is very complex too, that is true. To be in a position now to be suggesting that by the end of the year we will have that consistent framework, and then to be in a position to have those planning schemes with the councils - hopefully on the north-west coast by the end of this year and then shortly after in the north - that will mean that, and we have talked about this, they are interim but they are enforceable. So they will come into play straightaway, then they will go through the process of being finalised, where it will be established whether or not they meet all of the necessary requirements to become the planning scheme. I am confident that your highlighted passages of text from Meander Valley will evaporate as a result of that.

CHAIR - There are probably many others in the same position.

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Mr GREEN - There are, there is no doubt, and there are individual circumstances. It can be frustrating, but what must be frustrating to the State, overall, is that we have plans that are 10 years out of date and not being upgraded. Yours is a good example in the Meander Valley, even though you have tried, it is difficult. But we want to do the job. In my discussions with the Treasurer about future strategies I have stressed the importance of keeping our planning schemes relevant, and that will need resourcing. I think that will give local government the confidence that we are absolutely serious about ensuring that a costly part of their role will evaporate as a result of this work being done, which will make significant savings.

CHAIR - I think, Launceston were a prime example of operating on a heap of old interim orders and they had not progressed at all. Are you aware of many councils, Minister, that are in that position at this stage of not even having made that initial step? Meander Valley is another.

Mr GREEN - There are some that are 10 years out of date.

CHAIR - You mentioned the southern region. Obviously the southern region is a bit different because you have metropolitan councils and then you have some small rural councils. So in a regional context that could be quite a difficult process to go through, I would suggest.

Mr GREEN - It is indeed, and the overall cities project is overarching that as well. As it stands at the moment, if you took into consideration the growth forecast for Hobart, the city will find it very difficult to manage from a growth point of view.

Mr FISCHER - In terms of the outdated schemes and strategies, a lot of councils have done a lot of work over a fair period of time. Some have not done as much as we would have liked. The whole idea behind the regional approach was to get consistency based on a regional land use strategy. That strategy is going to be based on a lot of work that has already been done so that is not wasted. A council that has done the work is in a better position to come forward with their views of their local community, as opposed to councils that have not done any work at all. They are certainly in the minority. Most councils have done a fair bit of strategic work and thinking about their planning schemes. Planning schemes have not stayed still, in terms of a static document. They are always being amended. We have a number of amendments every year through the Tasmanian Planning Commission that we have to consider. Whilst they are probably not contemporary planning schemes any longer, they are still being updated, based on pressures that occur in the community. We would like to get a more consistent approach to that. That is what the regional approach is all about. We do not have an ad hoc amendment process. We have a strategic overview of what is required through the community from a planning perspective, and that is reflected through the land use strategy and planning schemes.

CHAIR - I certainly do not disagree with the thrust of what is happening now, I think that is a good thing, it is just the time that it all takes. That is the difficult part of it.

Mr GREEN - I accept what you are saying, Chair, but we have an audit process going on at the moment to allow everyone to understand it. I do not want any more complication. I just want to understand where the problems are, if any. I think given there have been some delays, we should understand that. That will be a fairly swift process, as I understand it. In the north-west, for example, Patrick Earl, who has been working part-time on the initiative is now working full-time. Stakeholders who will have confidence in Patrick's ability to deliver, so my expectation is that we will see things move along fairly quickly. Once the first one tumbles over my hope is that

people will have confidence that this can be achieved, and as a result we will see them all roll over.

Mr HARRISS - With the regard of the rollout of new planning schemes, Minister, you indicated there would be 30 new ones, and not before time.

One of the challenges across Australia, I understand, and certainly we are not immune from it, is the dearth of planners. How are we going to attack that issue, given we have always had difficulties getting people to draft planning schemes and submit them to the body which is now the Tasmanian Planning Commission? Have we seen any improvements?

Mr GREEN - Is it hard to get personnel?

Mr FISCHER - It is still. There is a dearth of planners across the nation. Unfortunately, Tasmania cannot attract them as much as other States. They are paying a lot more money than we are so they tend to stay in New South Wales and Victoria before they come over to Tasmania. It is more a lifestyle issue for them, I think. Having said that, there are real opportunities through the regional approach to improve the workability of planning schemes and planning authorities. What we would like to see happen as part of this process is the planners of individual councils working together as a collective and providing advice across the region and a proper organisational arrangement with that, so it gives a career path for planners. It is much more attractive, from my perspective as a planner, to work across a region than it is for an individual council. If those synergies can take place, it would be more attractive for people to come from other states to Tasmania.

That is all we can do. The planning course in Tasmania is still going well, but at the moment there is not enough still coming into the system. That will improve over time. If we can improve or put in a system that is attractive to others to come to Tasmania, I think will be of great benefit to all of us.

Mr GREEN - Lisa was just saying the Sullivans Cove Waterfront Authority advertised one recently and got a good field of applicants.

Mr HARRISS - The RPDC, on my observation - and correct me if I am wrong - had veto over the final content of a planning scheme. Will the Tasmanian Planning Commission have veto over the final make-up of a planning scheme? We all understand that councils have an opportunity for input. Sue Smith gave a classic example a couple of years ago of some land in Penguin, which was clearly - and had always been - residential. The council said, and the RPDC as it probably then was, came back and said, 'It should be rural'. On my observation, and knowing the land as well, it seemed like a junk decision. Nonetheless it was given and that was the rule.

Mr GREEN - I do not think there has been any changes to their rights 'of veto' to use that terminology. Peter, is there anything you can add?

Mr FISCHER - The only difference under the regional approach with the legislation that was put through last year and that came into effect 1 January this year. The Commission cannot refuse interim planning schemes, or the planning schemes going through that process. We have to approve it in some form, so the commission cannot just say, 'No, this scheme is not adequate,' and recommend refusing it outright. That has to be resolved through the process and through the minister.

UNCORRECTED PROOF ISSUE

Mr GREEN - That is the planning schemes, themselves, but I think he is referring to decisions with respect to land classification.

Mr HARRISS - Yes, that as much as anything else, Minister.

Mr GREEN - I think it was, effectively, a decision with respect to the categorisation of land within town boundaries.

Mr HARRISS - And a component within the scheme as a result.

Mr GREEN - Yes, that is right. I will have to take some advice on that, but I do not think that there is any change. Not that I necessarily agreed with the decisions that were made either, and I was lobbied very heavily about that. It seemed to me to erode the ability for Penguin, as such, to expand within its own boundaries, so it seemed a bit strange.

Mr HARRISS - That is just one example.

Mr FISCHER - Just on that example, my understanding is that the reason the commission came down on that decision - I was not part of the commission then, but it is my understanding of it anyway - was an issue in relation to infrastructure. Council at the time was not able to convince the commission that there was infrastructure available to service that land, so it went back to rural instead of residential. Since then, a lot of work has been done which identifies that land can be serviced, and I think council is looking at a program to put in that infrastructure for it to go back to residential.

Mr HARRISS - Okay. Not the specific example; let us go to veto or not.

Mr FISCHER - The commission is the eminent planning authority under the legislation. They make decisions based on evidence before them. Just as that example shows, there was not sufficient evidence for the commission to justify residential zoning for that land and that occurs in other circumstances as well. It is evidence-based decision making. If the evidence is not there for the commission to approve something, the recommendation is that it does not get approved.

Mr HARRISS - I accept what you say, nonetheless planning will always be subjective. You say it is evidence based, but it is a subjective matter wherever we go. It is in the eye of the beholder. We can debate it until the cows come home.

[10.00 a.m.]

Mr HARRISS - As part of this new planning process, would your intention as minister be to place a blanket ban on canal developments or, as the Planning minister, do you prefer the process where any development ought to be considered and rejected on whatever grounds or approved on whatever grounds?

Mr GREEN - I think the Premier, as I have indicated, outlined that what the Government is thinking of is making it clear with respect to what is permissible and what is not, going forward with respect to canal developments. We do not have a specific decision on that. I am sure it will be a decision that comes to Cabinet with respect to what our policy position is going to be. But, for what it is worth, I agree with, Mr Wilkinson, who asked a question earlier, that had we had a different set of circumstances with respect to canal development, had the policy said no canal

developments, Walker Corporation may well have developed something significant somewhere else in the State, but I do not know. So I think, from that point of view, we need to be fairly clear.

Mr HARRISS - As Planning minister, are you ruling out banning canal developments per se or considering everything on its merits?

Mr GREEN - No, I am not ruling that out. What I am ruling in is us, as a government, thinking about our policy with respect to canal developments and a position coming to Cabinet that will inform us and therefore inform the Tasmanian people as to the Government's position on these developments.

CHAIR - There could be an interesting debate coming up.

10.3 Resource Management Planning Appeals Tribunal -

Dr GOODWIN - Minister, will the increase in funding for RMPAT specifically address the lack of funding that has resulted in the chairman not generally conducting tribunal hearings on circuit?

Mr GREEN - This is all in Hobart, do you mean?

Dr GOODWIN - Yes.

Mr GREEN - The advice is that they saved \$109 000 since the introduction of the measures - that is, to conduct all hearings in Hobart - which is a significant saving. I know that there are issues with respect to people travelling. The tribunal continues to convene the hearings in Hobart but they do convene some outside Hobart where warranted, to avoid injustice or undue hardship, and it also conducts on-site mediation and site inspections. But they do try to avoid it and, as I have indicated, they saved about \$109 000 as a result.

Dr GOODWIN - So you mean they try to avoid going on circuit because of the costs involved? Do you anticipate that, with the increased funding, they will be getting more work on circuit? The funding will go elsewhere, is that what you are saying?

Mr GREEN - I have not discussed specifically where the extra funding might go but it seems to me that, where appropriate and possible, I think RMPAT should convene as close as they can to the people that are affected.

CHAIR - Totally agree.

Mr GREEN - The budget constraints are significant from a global point of view so it is important that people think about this in the context of still getting the job done but saving money as a result. If there is flexibility to allow for more opportunity for them to convene outside of Hobart, then that would be a good thing, as far as I am concerned.

Dr GOODWIN - What is the increased funding being used for? It says about meeting increasing demand and cost pressures - do you have a feel for what the increase in demand and cost pressures are and why there has been that increase in funding for RMPAT?

UNCORRECTED PROOF ISSUE

Mr GREEN - It is a relatively small increase as I understand - \$50 000 - so it is not an enormous amount and so there is not an enormous amount of scope to -

Dr GOODWIN - Not much increase in demand, just a little bit?

Mr GREEN - Do we have any statistics with respect to demand?

Ms HUTTON - The tribunal's workload has increased fairly steeply but I would have to say they have shown a very responsible attitude towards living within their budget and as an agency we commend them for that. They will make very good use of this extra amount of money that they are given. I can tell you from past practice they are very good budget managers, very frugal in their approach and ultimately though it is a matter for the tribunal as an independent body to determine its own processes but they certainly make every attempt to live within their budget.

Dr GOODWIN - That is terrific and certainly to be commended.

Mr GREEN - Can I also add that the tribunal continues to comply with the statutory requirements regarding the time limits and where it cannot do so obtains relevant exemptions. The percentage of matters determined within the 90 days without the need for extensions was 76.27 per cent in 2007-08 and it was 75.23 per cent in 2008-09 and 77.8 per cent in the year to date. Obviously they are doing their best to comply within the budget.

The vast majority of extensions - 97 per cent - are due to the conduct or requests of the other parties so I think they are meeting their statutory requirements from that point of view. I am also advised there have been less complaints or disputes with respect to the way the tribunal conducts itself. The tribunal continues to retain a high settlement rate of appeals through its alternative dispute resolution process which also runs and this is running at approximately 68 per cent in the year to date.

Dr GOODWIN - Does that mean it has not reached its target? The target for 2009-10 was 78 per cent - table 7.22 - so it has a bit more work to do there. Maybe with its extra \$50 000 -

Mr GREEN - That is year to date.

Ms HUTTON - Ultimately as you would be aware, Dr Goodwin, the tribunal is in the hands of the parties - whether they decide to settle at mediation or whether they say no, we are pressing on for a hearing, so while the tribunal can exhort and encourage it cannot propel.

Dr GOODWIN - You might need to revise your target maybe. Who knows? Do you have a breakdown or information on the number of appeals dealt with and the outcome and all of that sort of information? Does that become available through the annual reporting or something like that?

Mr GREEN - The actual number of things? It will be in the annual report.

Dr GOODWIN - You do not have any of those figures to hand here today?

Mr GREEN - Not for this year.

Mr WING - Ms Forrest was hoping to ask a question.

CHAIR - Ask a question on your behalf?

Mr WING - No, on her behalf on a topic that concerns us both.

Ms FORREST - My region.

Mr WING - Thank you for having me.

CHAIR - That is a pleasure, Mr Wing.

Ms FORREST - It is called tag.

CHAIR - Thank you for your input.

Ms FORREST - Minister, I note that the savings made through the appeal tribunal's meeting in Hobart was \$109 000 out of a budget of \$1.49 million. It is not a huge saving when you consider the costs associated with a number of people - more, potentially, than that number if the tribunal had to travel to the south of the State to attend those hearings. Is that something that is likely to continue as a cost-saving measure? It has not saved a lot of money in a decent-sized budget, but it has imposed significant human and financial costs on people outside Hobart.

CHAIR - Yes, I think the question was asked by -

Ms FORREST - I am sorry. Maybe the member for Launceston was not attentive at that particular time.

Mr WILKINSON - Are these people able to claim witness expenses to come down, if they have valid reasons for doing that?

Mr GREEN - I do not think so. I have to take some advice on that. I am happy to provide the committee with a response. In general terms, what I was saying is that they do meet outside Hobart from time to time to avoid hardship or injustice. I have indicated that they also hold mediations on site and undertake site inspections. Even though the amount of increase in the Budget is relatively small, where practical and possible, the tribunal should meet outside of Hobart.

Mr WILKINSON - Is videoconferencing available?

Mr GREEN - Yes. I am sure, as the technology moves on, we will be able to stay at home but still participate.

CHAIR - One of the issues about hearings held in Hobart is that sometimes it is an adversarial and litigious process. If people from the northern part of the State need counsel to help them, then they have to pay costs such as accommodation as well, so it becomes a very expensive process.

Mr GREEN - I am advised that often the expertise required for input into the tribunal's decision and legal representation, et cetera, is often based in Hobart so that is, in fact, cheaper; the other way around.

CHAIR - Yes, but the main specialist, as you would be aware, is located in Launceston and does an enormous amount of work for people in the north. Anyway, that is another argument.

DIVISION 5

(Department of Infrastructure, Energy and Resources)

Output group 2

Energy Advisory and Regulatory Services

2.1 Energy policy and advice -

CHAIR - I will start with one quick overview question. Has the Government delivered on 100 per cent of its election promises for energy and resources, apart from the broken promise on power prices? Can you identify what is not delivered in the Budget, given that the Treasurer said that only three-quarters of the promises had been delivered overall in the Budget? Is there 25 per cent missing?

Mr GREEN - From a policy development point of view and a budget perspective, did we not come good on any of our policy promises other than the one the member has just mentioned?

Mr RUTHERFORD - Not one that springs to mind. I am struggling. I think perhaps because this area focuses on policy development it is not as affected by the budgetary restrictions that have come with the GFC. The Office of Energy Planning has had to bear its share of budgetary pain but I am not aware of any promises -

CHAIR - I suppose I should spread that out across the whole outputs - mineral resources and the whole of energy and resources.

Mr GREEN - I am sure there will be discussions about the money that we put forward on the west coast for our mineral development programs et cetera and fact that we have contributed to forestry for promotion.

CHAIR - I am aware of those. I am just getting to the shortfalls that came out of promises. That is what I am saying.

Mr GREEN - \$1 million was to the RFA. I can talk about what the Government intends to do when we get to that specific output group.

CHAIR - There is nothing else in that 25 per cent or thereabouts in this output?

Mr GREEN - You have us hopping around here, Chair. It is a broad question and I have only got a specific person at the table. Apparently there is \$500 000 for work that was going to be done with the second interconnector.

Mr RUTHERFORD - Second Basslink.

Mr GREEN - The work has not been done yet. It is part of the consideration for future budgets. At a political level, we have indicated that we will honour all of our election commitments within the four-year term of the Government.

CHAIR - Can you point out what has been delivered in the energy and resources area that is a direct result of the input of the Greens, that Treasurer Aird referred to in his Budget?

Mr GREEN - There are some areas in the renewable energy sector that have been provided, such as \$250 000 for peak oil.

Mr RUTHERFORD - It is an oil price vulnerability study that is in Mr McKim's area. That picks up the concern that Tasmania, with its long supply chains and regionally dispersed economy, is particularly vulnerable to fuel price rises - and putting aside what would cause that, because it could be driven by changes in oil supplies, geopolitical change or by environmental learning from what has happened in the US with deep sea drilling. But there will be strong upward pressure on oil prices and that could either occur cumulatively, over a period or, as past events have shown, you can get sharp jags in the oil price. That study is to look into the vulnerability of Tasmania to those prices, particularly to oil price hikes.

If you look at the transport component of our primary-based industries, it is very high. We have to get it both to port and then out. So we are very fuel dependent and that is what the study is meant to work out.

CHAIR - I understand that and I will not labour that point. I will get Mr Harriss to go straight into inputs in a minute. Why would we spend \$250 000 in this State when we have a national energy - I cannot remember the exact name of it - they do a lot of work on peak oil. Peak oil has been around for a long time so why would we worry about doing it here in a little jurisdiction like this? Also, we are building that new LNG project at Westbury which will be good and hopefully a lot of the heavy transport will go to LNG, which is derived from natural gas and an indigenous fuel to Australia, so it is not as though we are actually bringing it in.

Mr RUTHERFORD - Indeed, I imagine that shift to LNG - and looking at what future role there might be for LNG - is an important mitigation. But I think the key driver behind a project like this is that we are a different economy to the mainland in lots of ways. I make the point that the thing being looked at is not the national generic issues, you are quite right, that some work is being done on that in our preliminary look to date, but not as much as one might hope. Something that mainland politicians often forget, is that we are the most geographically dispersed population in the Commonwealth, in terms of the percentage who live in capital cities. Our industry composition is quite different to the rest of Australia. It is much more dependent on the primary sectors and hence the dispersed economic activity, which I hasten to add is a wonderful thing for the State, but it makes us more vulnerable to the sort of price rise that could occur in shifting our relative comparative advantage. I take the point you make absolutely that we have a natural gas pipeline, we have the capacity to use LNG in ways that we have not before and that may prove to be a vital mitigatory measure in preparing for that sort of contingency.

Mr HARRISS - Minister, I will not go over all of the detail with regard to who knew what and when regarding the Aurora matter that fits into this area. Can you advise when your department or advisers had it first brought to their attention that Aurora had some financial issues?

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Mr GREEN - I received a briefing from Aurora on 30 April and at that briefing it was indicated to me that Aurora had some financial pressures. That was the first time that I understood Aurora's position.

Mr HARRISS - Who provided that briefing to you, please?

Mr GREEN - Peter Davies.

Mr HARRISS - Peter is the CEO of Aurora?

Mr GREEN - Yes. Peter Davies and a couple of other representatives of Aurora.

Mr HARRISS - That is a briefing to you on 30 April. Have you made any inquiries as to when the department or government advisers became aware? Have you made your own inquiries as to when the department knew about the emerging difficulties for Aurora?

Mr GREEN - What I became aware of was that a process had been entered into with respect to trying to understand the position of the energy businesses going forward because it has all been made public now and that relates to the PricewaterhouseCoopers process that was being undertaken but other than that, no.

I was briefed with respect to the position of Aurora and it has moved on from that point to where Cabinet made a decision. That decision was effectively to regulate and that has happened. Of course my office has been talking to Bob and vice versa with respect to policy but Gary has not been with me that long. For a fair while I had a stand-in office manager and there were some discussions going on but Bob might want to comment further.

Mr RUTHERFORD - Under the normal governance the State-owned companies report to the stakeholder ministers in terms of their financial situation. Because we were in caretaker mode the Secretary received the draft corporate plan on 30 March and that was the first official picture from Aurora - and we had to wait upon such a picture - that there were these serious financial concerns. That was, of course, taken very seriously in terms of the need to brief the incoming government.

Mr HARRISS - That was Aurora's draft corporate plan you have just referred to?

Mr RUTHERFORD - Yes, that is correct.

Mr HARRISS - I will come back to that in a moment but back to my question to you, Minister. You received a briefing on 30 April but if I heard you correctly you have indicated that you have not sought any information as to the historical context of what was unfolding since you have become minister.

Mr GREEN - Obviously other members from other places have indicated there were meetings that took place prior that involved advisers from the previous minister's office and that was confirmed in another place.

It is my understanding from what I have heard subsequently that the briefings were about looking to establish the best way forward for the energy businesses overall based on the work that

UNCORRECTED PROOF ISSUE

was being done by PricewaterhouseCoopers. With respect to the financial position of Aurora, the advice that came to me was the first advice I had received with respect to their position.

[10.30 a.m.]

Mr HARRISS - It seems to me you did not seek to understand the real position of Aurora and the fact that there was an emerging difficulty and an emerging problem. We have heard that there was a draft corporate plan presented on 30 March. PricewaterhouseCoopers had already been tasked prior to that with conducting some inquiry into the issues related to energy. Would you not, as minister, want to understand how we got to this very difficult and damaging situation - which will impact on the State Government's Budget at some stage, in some way - without a robust reporting process? Would you not want to satisfy yourself as minister of what had happened in the past so you can appropriately chart a path forward?

Mr GREEN - I received incoming briefs as minister on my desk for the various portfolios, and I was briefed. I am trying to think what date I was actually sworn in. It was in late April sometime.

Mr HARRISS - But that is immaterial, Minister. It does not matter when you were sworn in.

Mr GREEN - I know what you are trying to say, but I concern myself with the position going forward, not the past. I had a set of circumstances presented to me as part of Aurora's corporate plan. I reported that position to Cabinet and got to a position about how we could move forward on issues associated with the energy businesses.

Mr HARRISS - Could you indicate to the committee when the department and/or the government advisers received the PricewaterhouseCooper's report? Was that in February?

Mr RUTHERFORD - First of all, let me make it absolutely clear that I chaired the steering committee oversighting the PWC report. It is essentially a report that looks at structural options for Tasmania's electricity industry going forward. At no time has a ministerial adviser or a minister sighted, or handled or looked through a draft, or any sort of report. That report, as we speak, is still a draft. There was a briefing by the consultant, with me in attendance, with two ministerial advisers. I do not have the date with me, but my memory tells me and I will check, that it was 14 January. They were down for two days. They were taken over for a very short briefing with the two ministerial advisers, Mr Nick Wright and Mr Anton Voss, and the discussion was entirely of the nature of the modelling that was being conducted, and of the structural options that existed to try and push forward with getting better competitive outcomes in the Tasmanian electricity industry. At no point was there a discussion of the finances of a business. It is certainly the case that that draft report, the first draft we sighted of the second stage in January, contained preliminary financial information provided by Aurora, and some of that preliminary financial information was contextual to the report, in that we were aware that structurally, in the national market, Aurora is a small retailer. There are issues over how that would go forward in the national market, and that was part of the structural review. We saw that information in the steering committee as confirmation that these were important questions to look at. It certainly never occurred to the steering committee or me that there was any reason to blow a whistle or shout loudly that there was a major problem, and indeed that would be to trespass on established governance. The proper process is for information on its prospects to be conveyed by the board of the State-owned company to the shareholder ministers. The normal vehicle is the corporate plan. Aurora, at any stage, can go to the shareholder ministers.

UNCORRECTED PROOF ISSUE

Ms FORREST - We have been informed a number of times in a number of places that monthly meetings are held between the board of Aurora and the stakeholder minister or Treasurer - one of the stakeholder ministers anyway. Prior to the current minister, Aurora faced financial challenges with two significant events , , the most recent one being the first two weeks of June 2009, , where there was extreme volatility in the pricing market and Hydro was charging up to \$10 000 a megawatt hour until a price cap was placed twice. At that time, the then minister identified to me quite clearly that he understood that would be putting significant pressure on Aurora. He said he felt there was not much he could do about it. But in the monthly meetings that followed that time, was the ongoing impact of the huge cost that was being imposed at that time, and over which Aurora had no control, ever raised?

Mr GREEN - It is really a question of the GBE, effectively.

Ms FORREST - You refer to these meetings that Aurora can come -

Mr GREEN - What you are asking is the detailed questions with respect to the financial position of Aurora, which will be -

Ms FORREST - I am asking about what information was passed on at these meetings that are held monthly?

Mr GREEN - From an energy policy point of view?

CHAIR - That is where you are going is it not, from an energy policy point of view?

Ms FORREST - Yes because surely policies that a minister must take forward -

Mr RUTHERFORD - Meetings held with whom?

Ms FORREST - We have been informed that all GBEs meet on a monthly basis with their stakeholder minister.

Mr GREEN - That is right.

Mr RUTHERFORD - Officers from the department would not normally attend.

Mr GREEN - There is no-one from the department there. Going back to the original question, I was sworn in on 21 April, I had the briefing on 30 April and it progressed from that point on. It has been a progression with respect to thinking about how to ensure that we provide surety for energy output and input into Tasmania. I know that there has been a lot said about who met who and that sort of thing. The corporate plan was finalised at the end of March. That came to the department in caretaker mode. The caretaker mode started on 12 February.

Mr RUTHERFORD - A draft corporate plan.

Mr HARRISS - I accept that the directors of Aurora have discharged their obligations and duties entirely. Given that, with an emerging financial challenge of this magnitude, that would mean, would it not, as part of the discharge of that duty, from a fiduciary point of view, that the company would have to advise its shareholders of the emerging financial challenge that the

company was facing? Wouldn't the Government, through the shareholder minister and the stakeholder minister, have been made aware of that financial challenge?

Mr GREEN - The advice I have received is that the draft corporate plan came to the department at the end of March. The advice that I received, as the incoming minister, was about what the corporate plan was looking like and the pressures on the finances of Aurora as a result and then conversations with Mr Davies with respect to his belief on how that might be remedied and then, therefore, conversations between myself and the other stakeholder minister with respect to what we might be able to do to remedy the situation. Then the Treasurer, and Treasury in the main, thinking about how this process could be resolved from the point of view of providing stability to the energy businesses and therefore surety with respect to energy. That is the process. You wanted me to make some assumptions about the past but I am telling you from the facts of what has happened since I became Minister.

Mr HARRISS - I understand that, but that just returns me to an earlier question, Minister. Given the magnitude of where we are at and the political ramifications and the policy position for the Government, would you not want to satisfy yourself of the historical context of all of this? Would you not want to understand whether Aurora did in fact report to fulfil or discharge their obligations, that they would have reported this looming financial difficulty to the previous minister before caretaker mode?

Mr WILKINSON - Because I suppose you are saying, are you, through all this that if that does not happen, we could be in the same position again?

Mr GREEN - The trouble is that it did not come to me; that is the trouble, when you are answering questions with respect to a GBE but you have not the people from the GBEs around you and when documents came and when they did not. I can tell you one thing that is absolutely sure: there is no way I am going to mislead anybody with respect to any information that has come to me.

What has happened as a result of this process being undertaken, as you would be aware, the Government is seeking to set up an expert panel to look at what the energy industry will look like and the best model going forward for Tasmania. As the Deputy Secretary just indicated, there are some issues with respect to the size and scale of the State and the way competition works and the interface between the businesses and a whole range of other things, and the way the gas aligns with the energy production into the future and what we might be able to think about in terms of gas and its position in the market. There is a whole range of things that have come about as a result of us making decisions. It reflects in fact the 10, 10, 5 result of the last State election - the two cabinet members of the Greens - and as a result we now have a position where an expert panel will look at a range of those issues. As I understand it, the Secretary to Treasury has given evidence with respect to the financial position of Aurora, as he understands it. I did not participate in that area. Largely, though, the discussions with respect to that have been undertaken between the Treasurer as the stakeholder minister and Treasury.

Mr HARRISS - Just focusing on that contribution by Jim Wilkinson, as the relevant minister now, would you be concerned if a similar situation was looming but the government business did not advise you as the shareholder minister prior to any draft corporate or a corporate plan being published? That could be months down the track.

[10.45 a.m.]

Mr GREEN - There have been sets of circumstances that have prevailed over time with respect to any decision-making on, for example, the power stations' lack of water. You also have to remember that there are also barriers with respect to the financial arrangements and the discussions at a commercial level between the entities themselves. In the end it comes down to the corporate plan.

I have been advised - in fact I have seen the document but the document did not come to me - with respect to the advice that Aurora is providing on its financial position going forward, that that did not necessarily reflect what is being suggested in private quarters. The trouble with this is it is not really the forum or the output groups or anything with respect to talking about this. Aurora's position is not as presented to the Treasurer; it was put in a relatively small position, or in a position that is not reflected by the forecast of going forward; there is the here-and-now and then there is the forecast position with respect to their financial viability.

Mr HARRISS - But it is still the question, Minister: in your current role, you are the minister responsible for the energy entities.

Mr GREEN - Yes, that's right.

Mr HARRISS - We are talking about energy policy and advice. The budget papers themselves indicate that it goes to issues affecting the adequacy or security of Tasmanian supplies. Of course it is under this line item, or the Chair would have pulled me up.

CHAIR - I was not going to because you are on the money.

Mr HARRISS - The question is this: in your current role, would you be concerned if any of the energy entities had a looming financial challenge to their balance sheet of these proportions and they did not advise you prior to the publishing of a draft corporate plan or a corporate plan? As the owner of the business, would you not expect that the business would in fact report to you because it affects contributions to the Budget in terms of dividends, tax equivalents and guarantee funds? Would you or would you not be concerned if you were not advised, at a very early point in time, about such a looming financial challenge to any of your energy entities?

Mr GREEN - As I have just explained to you, there are complex financial negotiations between the entities with respect to prices charged, et cetera. I think, with respect to the structure of the energy businesses going forward, you would know that there have been equity injections in the Hydro, for example, in the past for various reasons; from time to time there have been structural changes made to the energy businesses and they have been working through a process that was established via Cabinet to involve an outside consultant to engage with the energy businesses to look at how the structure of the energy businesses might look going forward. That consultancy was PricewaterhouseCoopers.

We understand, and you would understand from that, that the Government effectively had asked to be provided with information to ensure energy security in Tasmania, being paramount, to allow it to understand how best to move forward with the entities.

You asked specific questions as to the absolute finances of the business. It has been my experience that, when I have talked to the energy entities about their financial position, they provide you with information in terms of the here-and-now with respect to their financial position and, if they were providing advice with respect to the here-and-now on their financial position, it

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would be confirmed by the correspondence that went to the Treasurer that that financial position was in fact the financial position.

Mr HARRISS - You are the current custodian of the energy entities - shareholder minister.

Mr GREEN - Yes, that's right.

Mr HARRISS - Have you given any instruction to the business of which you are the current custodian as to reporting processes going forward in the event of similar looming financial crises?

Mr GREEN - As I have just indicated to you, there is a year-to-date, effectively, financial position put.

Mr HARRISS - So you have not given any instructions to the businesses that are the custodian of.

Mr GREEN - There is a process by which the director's brief the shareholder ministers and, as I have just indicated, that has taken place certainly since I have become minister with respect to year-to-date. We had the corporate plan position come forward. What has complicated it from this point of view is that there was a caretaker period from 12 February, and that meant that the corporate plan came in draft form to the department and since becoming minister I was then given the draft corporate plan and briefed on it on 30 April. That talked about the financial position of Aurora going forward which led me to participate in serious discussions with my cabinet colleagues and obviously the other shareholder ministers to think about ways to put it on a sustainable basis. That has then engaged Treasury and, of course, the department with respect to thinking about how that could be done and that has been achieved.

Mr HARRISS - So, as to whether you have given any instruction to any of the energy entities as the custodian minister, the answer is no. In terms of advising you as the custodian as to a looming financial crisis such as this -

Mr GREEN - There is a standard process in place with respect to reporting and that is the process. I have not asked them to alter that standard process.

Mr HARRISS - Are you not concerned that we now are confronted with this financial circumstance because, on my judgment, it has generated for the Government some acute embarrassment because Lin Thorp announced in February that the Government would intervene to cap power price rises at 5 per cent. She announced that. Because it has delivered that reneging on a promise, would you not as minister want to ensure that such a circumstance did not arise again? I hear what you say about a standing process, but you can change that; you are the custodian of the business, you can change the standing process.

Mr GREEN - Can you repeat that question?

Mr HARRISS - I hear what you say about a standing process. We have a crisis at the moment. You can change that standing process because you are the custodian, can't you?

Mr GREEN - I have just been advised that the draft corporate plan comes in in March. The corporate plan is signed off towards the end of July. The annual report comes out in September

and then there is scrutiny of the GBE in November. That is the standard process with respect to shareholder ministers' understanding of the position.

Mr HARRISS - Do you see a need to change that?

Mr GREEN - I understand what you are saying with respect to the promise. From a government perspective, we would have wanted to honoured that promise but circumstances have not allowed us to do that, based on the advice that we have received. But having said that, the Government has tried to make sure that health care cardholders who are doing it toughest in the community have, in fact, received \$100 which lessens the blow of any price increases. It is all right to focus on our energy businesses here in Tasmania and to suggest that we are the only people in Australia effectively facing energy price rises. Everybody knows that Tasmania faces some price increases. The rest of Australia faces price increases, the rest of the world faces significant price increases in the delivery of energy going forward. We have to make sure that, based on our regulated side, our non-regulated side, our businesses are as strong as they possibly can be. I am very hopeful that the panel that we put in place to look at the structure of the energy businesses going forward over the next 12 months will deliver a good outcome.

What happened over recent times with the disaggregation, NEM, all of those gas companies in Tasmania, no rain - all of those things have had an impact. They have all played on the decisions that have been made in the past with respect to the disaggregation of the businesses. We are still learning. We have made structural changes in the past - to Hydro for example - equity injections and various other things. It continues to move and yes, of course, the Government would have liked to have honoured its promise in full but what we have done, as is traditional for Labor, is make sure we look after those people who are most vulnerable.

Mr HARRISS - I can only conclude from all of that that you do not see a need to change the standing practice going forward because you said you have not made any directions.

Mr GREEN - The standard practice with respect to this process is robust. The scrutiny of our GBEs is robust and in my view if you are suggesting that we change that process then you are effectively expecting us to change what is a long-standing process of reporting to ministers.

Mr HARRISS - This all impacts on your budget bottom line. You would expect the Tasmanian people would expect good returns from the government businesses. You are not going to get it from Aurora for the out years or for the coming year.

The Tasmanian people are being denied. I cannot understand, for the life of me, that as the custodian minister you would not want to understand at the earliest possible time what the financial plight is of any of the businesses for which you have accountability without changing that practice.

Mr GREEN - With all due respect -

Mr HARRISS - If that practice has been faulty in the past let us fix it.

Mr GREEN - With all due respect here to your good self asking the questions and talking about Aurora and its financial position, you know that there was a global financial crisis; you know that one of the people involved in building a power station in Tasmania suffered largely as a

result of the global financial position and was not in a position to finalise the Tamar Valley power station.

You know that we had 10 years of drought, which meant that our dams were at record low levels - I think 17 per cent. You know that the Government purchased the power station for \$100 million or chipped in \$100 million effectively to buy the power station. I think you know that the window of opportunity with respect to making a decision on that purchase was a very narrow one - just a few days to make the decision with respect to whether we purchased the power station or not - so there has been a range of compounding factors.

Having said that, the finances and the process of allowing us to understand the corporate plan going forward is a robust one.

Mr HARRISS - They are all factual, Minister, and that being the case you have just condemned even further the recklessness of Lin Thorp's announcement because you have just indicated we all know these compounding factors as an historical context and yet she came out glibly and made that promise.

I suspect she did not have too much support for that at the time - you will close ranks and say that she did - but they are factual matters, I understand that. I am not going to pursue the question any further but I will make the observation which I have already made and that is that you do not see any particular need to change the standing practices and yet here we are with this significant depletion of contribution to the budget.

You should have known that, a minister should have known that at the earliest possible time. I am concerned that you showed no interest in understanding at the earliest possible time short of a draft corporate plan or a corporate plan being published as to a looming financial difficulty of any of the businesses for which you have custodianship and its impact to the bottom line. I cannot take it any further. Your answers have led me to no other conclusion.

[11.00 a.m.]

Mr GREEN - I can see the point of your exercise, but the point of the exercise is to allow the Government to understand what the financial position of the businesses is. This is well set out.

Mr HARRISS - Are you are happy with that?

Mr GREEN - Obviously to fulfil their responsibility directors have to make the minister aware of the position going forward within the year. As I indicated to you, there are negotiations between the entities, which in the end are fluid. The returns to the shareholder minister, and therefore the Government, are set out as part of the corporate plan. As soon as we became aware that the situation with Aurora was difficult, we stepped in to make the necessary provisions. We made the necessary decisions to put them on a sustainable footing. What you cut me off from saying was that all of those decisions were made prudently, on the basis of providing energy security for Tasmania. You talk about it in a financial context. I was talking to you in the context of energy security. Energy security is fundamental to maintaining confidence in the business environment in Tasmania. That is why the decisions that were made along those lines were prudent. You want to relate that back to a financial position and the reporting of a financial position. I would argue that the points that I was making to you were on a different basis to the context that you were asking the question in. I was just putting some context around why the decisions were made.

CHAIR - In regard to renewable energy, where are we at with Musselroe?

Mr GREEN - As you know, the RET legislation has recently gone through. What is driving the eventual construction of the Musselroe Wind Farm relies heavily on RET prices increasing to a commercial level. We have committed and spent approximately \$30 million on this site to this point, but the fact is that it has to become a commercial opportunity before construction can start. The change in legislation means that there will be a large demand - 200 - large-scale schemes - as a result of the RET process taking place. On the large-scale side, the requirement will be - in equivalent terms - 50 new 200-megawatt wind farms over the next 10 years in Australia. We will be in a position to build the Musselroe wind farm once it becomes commercially viable based on the RET scheme that hopefully will deliver that amount.

CHAIR - What is the current status of Hydro water storages?

Mr RUTHERFORD - I know it is currently sitting on about 35, and the northern headwaters are particularly well placed at the moment, so we are climbing back to good storage levels. I think it has to be seen in the context that the long drought, and in particular the situation since 1975, has changed the Hydro's perspective on long term yield. There are some issues sitting around that. At the moment, the projected yield is 16 per cent lower than that which we would have had on average between 1924 and 1975. I think it is useful to have that kind of long-term perspective, to understand what has happened, whether it is through climate change or a long swing; things in the lap of the gods. That explains some the pressures that have been on the Hydro system.

Mr GREEN - Storages are up again; up 1.1 per cent last week to 35.8 per cent. That puts us in uncharted territory. It has never been nearly as high since 2004. Our major storage, Great Lake, is at 32.4 per cent. That is not a correct figure, in my humble opinion, because Great Lake has never achieved full capacity.

CHAIR - We never want to flood that new road that might go along there, that new sealed bit going on at Westbury.

Mr GREEN - That new sealed bit.

Laughter.

Ms FORREST - It is being sealed that could cause the flood.

Mr RUTHERFORD - I think one of the puzzles in the weather pattern has been the shift - that is not well understood and I know there has been work done of the links to West Australian weather patterns - because we do not get the rain around Great Lake that we used to. There has been a westward shift and that has changed the balance in the storages. We are particularly heartened by the rise in Great Lake this year.

Mr GREEN - I might have misled you slightly there. Major storages are at 32.4 per cent with Great Lake up 0.6 per cent at 28.8 per cent. Northern headwaters are up to 50.3 per cent which is well above the economic operating level set by Hydro. Inflows for this month are 88 per cent of expected, despite decent inflows last week.

Mr WILKINSON - What are you aiming for in relation to dam support storages at this time of the year?

Mr GREEN - What we are saying is that, since 2004, the dam levels never been so high. What we are aiming -

Mr WILKINSON - I realise that. Last year I think, at this time, we were at about 17 per cent or thereabouts, so we are much higher than that, but is there an optimal level which you would like to keep it at?

Mr RUTHERFORD - I do not have a technical paper on that. We can get you some advice on that. The Hydro has a target level. It is difficult to express it as a simple single statistic. Essentially, they were looking to rebuild their storages to an average over 30 per cent. But, of course, we are in a rebuilding phase as the rains have hopefully returned in the longer term. That has to be seen in terms of the major storages. In the northern headwaters, you can have too much in the use it or lose it sense, because of spill. That leads to periods of export over the link because otherwise that energy is gone. All of us in the Office of Energy Planning would commend the Hydro's management of the water storages. They have done an extraordinary job under enormous pressures of the drought, and now we are seeing an effective rebuild. We have a water storages advisory committee under our governance that meets regularly, and is briefed on the water storages and the targeting.

Output group 3 Mineral resources management and administration

3.1 Minerals exploration and land management -

Mr GREEN - I welcome to the table Mr Brown and Michael Leonard.

Ms FORREST - Minister, one of the theories under this output group is to promote Tasmania nationally and internationally as being highly prospective for mineral exploration and mining. Obviously one of the threats to that situation at the moment is the proposed resource rent tax. I know there are still negotiations going on in regard to that and there is no defined outcome at this stage, but can you inform the committee of any actions you have taken as far as representations to the Federal minister or ministers, probably including the Treasurer, about the impact that the proposed tax - which is still subject to negotiation - could have on companies in Tasmania, particularly what aspects of that tax will be an issue?

Mr GREEN - I agree with the taxing principle - that is the first thing to be said.

Ms FORREST - So does the mining industry.

Mr GREEN - Yes. With respect to the principal argument about whether the tax exists or not, I agree that what we should be doing as a nation is preparing for the future and in the end that will boil down to negotiations around the actual quantum.

What I have been concerned with is making sure that the mining industry understands that this Government is ensuring and will continue to want to ensure that miners have the opportunity to operate in Tasmania in an environment that provides them with the best opportunity to explore and find and then therefore develop their mines.

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Ms FORREST - So what are the major issues for the companies in Tasmania as far as appraisals go?

Mr GREEN - The major issues, I guess from the companies' point of view, is that they believe that they will loose profit as a result of a tax coming into play.

Ms FORREST - What aspects of the tax cause those concerns?

Mr GREEN - The super profit side of it, do you think?

Ms FORREST - I am asking you.

Mr GREEN - From my point of view, the negotiations are between the Commonwealth and the miners, particularly the miners at a national level. I am aware that there have been negotiations, certainly with local miners and the Federal minister on concerns about the size of the tax and the taxing point.

Ms FORREST - So how do you understand that issue?

Mr GREEN - The taxing point?

Ms FORREST - Yes.

Mr GREEN - The point at which the super profit tax comes into play.

Ms FORREST - And that is it? So which companies have you spoken to then to further understand the impact on Tasmanian mining industry that we are trying to support here to achieve continued operations in Tasmania?

Mr GREEN - I have had discussions with the operators of the Rosebery mine in recent times and I did have an appointment to meet with Grange Resources but unfortunately that appointment had to be cancelled as a result of the cave-in at Grange Resources.

Ms FORREST - So they are the only ones you have attempted to speak to?

Mr GREEN - To be honest, I haven't been inundated with people wanting to come and talk to me about complaints about the tax. You see, this is a Federal tax, not a State tax, so most of the orientation has been towards the Commonwealth as to the quantum of the tax in point and the arguments about rebates et cetera.

What I am concerned about is making sure that the environment the miners operate within is as strong as it possibly can be, and we will continue to do that. To try to put pressure on me against my Federal colleagues who brought forward the argument with respect to the tax is unreasonable, although I have said to Martin Ferguson at the mining industry council meeting that, in my view, this needs to be resolved sooner rather than later and I encouraged him and the Federal Government to participate in those negotiations.

Ms FORREST - So which meeting was that when you spoke to him?

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Mr GREEN - The Federal minco, the national mining ministers meeting in Melbourne.

[11.15 a.m.]

Ms FORREST - So as the Minister for Resources, do you not think it is important to meet with companies that are only a couple of hundred metres away from your office in Burnie, to meet with them who have been very public about stating that not only is the taxing point where the tax kicks in, but that it impacts on their downstream processing site, which is the biggest issue for them because that is where their costs are, and you have not even been to see them or discuss those issues so that you are aware of them, and then can effectively talk to the Federal Government on behalf of Tasmania? The last thing we want to see is a big employer on the north-west coast being unable to further invest in this region, or invest in other parts of Australia.

Mr GREEN - Exactly. I have read that in fact Grange Resources is using a lot of the profits it is making from Tasmania to build a new mine in Western Australia.

Ms FORREST - So you understand them to be quite profitable?

Mr GREEN - I understand they have renegotiated their contracts and their pellet prices have gone up by 25 per cent.

Ms FORREST - That was the iron ore price, that is nothing to do with their renegotiating.

Mr GREEN - Yes, their pellet price. I understood that they had plans to in fact shut down their pellet operation and change it to a different system, which you would probably be aware of. Is that from a downstream processing point of view that you understand what they were planning to do?

Ms FORREST - Yes.

Mr GREEN - You would understand that the downstream processing would in fact change the mix and the people who were employed at Port Latta, if they went ahead with their plans, would in fact then have to be redeployed at the mine. And of course it has been announced that we are going to China and they will be part of - in fact the onus part of our diary is to go and speak with -

Ms FORREST - Xigang, is that who you mean? Do you not think it is important to speak to the local company as well though and to understand they have two aspects of downstream processing, not just the pelletising plant, and so this is the whole point, the taxing point. It is not to do with where it kicks in. It is where the tax is imposed. Is it imposed when you dig the ore out of the ground or in the downstream processing? Are you aware of any other mining companies in Tasmania then that could be similarly impacted on in downstream processing with the current proposal?

Mr GREEN - Certainly I have not received any advice that the tax would have an impact. Nobody has advised me of that.

Ms FORREST - So you have not gone out to check with mining companies around the region?

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Mr GREEN - The department is in contact regularly with the Minerals Council. I addressed the Minerals Council conference that you attended in Launceston.

Ms FORREST - But it was hardly mentioned.

Mr GREEN - But I did say that I had just become minister at a time when I think a couple of days beforehand the tax had been announced, and of course the negotiations at a national level at that stage were absolutely paramount. I think we have a good relationship with the mining representatives at a peak level in Tasmania, and I will continue to build that relationship at a peak level and of course I will engage with miners at their mines or wherever I can when appropriate. I will put on the record again that it is my sincere hope that the negotiations are finalised soon, and that the cloud disperses that has been placed over Australia as a result of all the advertising that has taken place on issues associated with the tax, with miners suggesting they are going to pull out of investment in Australia as a result. I sincerely hope that changes and we get back to where we were. The advice that I have had is that as a nation and indeed as a State we can expect the mining industry will continue to flourish. In fact our biggest problem is going to be providing the necessary skilled labour to facilitate the huge investment that will take place across the country.

Ms FORREST - Do you accept then that with the uncertainty with the tax, investment is being put on hold at the moment in Tasmania?

Mr GREEN - No. From a development point of view and from the point of view of miners' drilling operations et cetera, the reports that I have had in fact have been very positive. There is a lot of exploration going on right at the moment. I am signing a lot of exploration leases.

Ms FORREST - I will get to that in the next output line. Do you support or recommend any change to the current mineral royalty arrangements in Tasmania and if so, how would you suggest it change? If not, are you confident Tasmanians are receiving enough in royalties for the resource that they own?

Mr GREEN - In the 2010 financial year the royalties will exceed \$34 million. The royalty collection for 2008-09 was \$27.8 million, so it has gone. This marked a decline from the original \$42.7 million that was budgeted but remained above the average of \$17 million over the past 10 years. I have not turned my mind to any changes in royalties and nobody has suggested there ought to be a change.

Ms FORREST - So we are going to follow the West Australian model?

Mr GREEN - I was just about to say that we ought to have royalties for regions but I do not agree with that in principle and I have no plans. If that comes up, I would not be supporting that position.

Ms FORREST - The West Australian Government, in spite of their royalties for regions, have said they are going to increase their royalty payments and that is the question I asked you. Would you support or recommend any change to the current arrangements?

Mr GREEN - If any suggestions come forward with respect to increasing royalties then I would look at that, but always in consultation with the industry.

Ms FORREST - There is no plan at this stage to adjust our regime at all?

Mr GREEN - We have a two-tiered system. I have had no advice or I do not have it in my mind that we want to change.

Ms FORREST - Do you believe that Tasmanians are getting enough out of the current arrangements for the minerals they own?

Mr GREEN - It fluctuates with respect to how much we have got over recent times and I have answered that. I think, given that mining represents about 46 per cent of our total export earnings, the royalties we receive - which are significant - are in line with community expectations.

Ms FORREST - Having said that you believe that the people of Tasmania are getting enough for the resources that they own, why then do you support an increased tax at a Federal Government level along the lines that the Australian people are not getting enough? That is a bit of a contradiction in my mind. How can you explain your support for the current Tasmanian arrangement, saying it is enough, and your support for the Federal Government arrangements, saying it is not?

Mr GREEN - There is a range of areas with respect to what is taxed across the nation and the volumes, the oil and gas, the wealth that has been created as a result of all those significant areas. If you go to other countries around the world, you will find that those people who have oil and gas reserves that are relatively small make provision for the future. I do not see that what I have suggested with respect to the royalties as they are collected here in Tasmania is in conflict. My view is that as a nation we ought to be making decisions about a finite resource and, in principle, I agree with that. But I also hope that the negotiations are concluded soon.

Ms FORREST - You do not think your view on both the Tasmanian and the national jurisdictions is contradictory at all?.

3.2 Tenement management of the exploration and minerals industry -

Ms FORREST - As far as expenditure and exploration is concerned, can you provide information, in table form or whatever is most convenient, to include the current exploration licences and leases and the amount of money that has been spent in the last financial year to date on exploration?

Mr GREEN - According to the Australian Bureau of Statistics, expenditure for mineral exploration in Tasmania in the 2009 calendar year was \$13.9 million. That was down 55 per cent from the \$30.8 million recorded in 2008. Tasmania's share of exploration expenditure in Australia fell from 1.18 per cent to 0.69 per cent over the same period. The areas of decline were in exploration on existing deposits that were down 72 per cent to \$3.9 million, a decrease in the national share from 0.88 per cent to 0.31 per cent, whereas expenditure directed towards the discovery of new deposits fell 40 per cent to \$10.1 million corresponding to a fall in the national share from 1.63 per cent to 1.33 per cent.

Mineral Resources Tasmania data recorded a higher figure of \$16.35 million down from \$34.37 million in 2008. According to the Australian Bureau of Statistics, expenditure on mineral exploration in Tasmania in the December 2009 quarter was \$4.4 million, up 26 per cent from the \$3.5 million recorded in the September 2009 quarter and a second successive rise. The

Tasmanian share of expenditure was up from 0.63 per cent to 0.76 per cent over the same period in raw terms and from 0.68 per cent to 0.78 per cent in trend terms.

Mineral Resources Tasmania data record a near-identical total of \$5.57 million for the December 2009 quarter, of which 62.8 per cent was spent on exploration licences. This figure is up on the \$3.74 million figure recorded in the June quarter, which is almost equally split between exploration licences and mining leases. The dramatic fall in expenditure and hence, the national share, can largely be attributed to the sharp contraction in major on-lease projects in the last half of 2008-09, but there are signs of recovery including the resumption of exploration at the Rosebery mine and the major expansion activity at the Henty mine following acquisition by Bendigo Mining Ltd.

There are signs of recovery through increased exploration licence applications and increased drilling activity that should be reflected in the expenditure data for the December quarter. Of course, there are also a number of other projects that are being lifted, such as the King Island Scheelite Bass Metals Ltd at Fossey and possible projects are Venture Minerals at Mount Lindsay and the Mount Lindsay deposit and, of course, other opportunities at Mount Cooper. Beaconsfield also has quite a bit of development work going on.

The actual, raw statistics with respect to mining leases and exploration we can provide in a table form.

Ms FORREST - Can you provide tables for the mining leases and the explorations for the last 12 months?

Mr GREEN - Yes. I could go through it with respect to how many holes people are drilling and that sort of thing, if you like, but suffice it to say there is a lot of activity going on.

Ms FORREST - There has been a decrease in expenditure, though. It is a bit hard to follow when you are reading out things like that without having something in front of me, but it seems to me there is a lot of decrease in expenditure.

Mr GREEN - We had the decrease based effectively on the global economic crisis and now we are seeing an increase in expenditure and that will be reflected -

Ms FORREST - Up to December 2009.

Mr GREEN - Yes, but then we got an increase in expenditure and we expect that to be reflected in the December quarter report.

Mr LEONARD - There is an increase in expenditure in the latest ABS figures which we only got yesterday, so we can give those to you.

Ms FORREST - So you can provide me with those figures from the ABS?

Mr GREEN - Yes, we can do that. Will that satisfy you or do you still want the number of exploration licences?

Ms FORREST - Yes.

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Mr GREEN - Okay.

Ms FORREST - Another matter I would like to raise, Mr Chairman, is to do with the rehabilitation of abandoned mine sites and, in particular, Minister, I ask you to comment on what action, if any, you have taken - I know it is not entirely in your portfolio area - regarding the remediation of the Mount Lyell mine site and the funding that was taken out by the Federal Government to put into the fox task force - which is not in your area, I know - but the remediation of the Mount Lyell mine site is part of it and should fall under the rehabilitation of mine sites.

[11.30 a.m.]

Mr GREEN - Dr Brown might want to answer that, but it is not within my bailiwick apparently, it is within the Environment portfolio.

Dr BROWN - With respect, I cannot answer it because we do not have anything to do with it and never have.

Ms FORREST - Can you give us an update on the rehabilitation of abandoned mine sites, does that still falls under your area?

Mr GREEN - In general terms?

Ms FORREST - Yes.

Mr GREEN - We were not talking about Mount Lyell specifically.

Ms FORREST - It would be good if the Resources minister was interested in getting the money back out of the Federal Government for the proper purpose it was designed for.

Mr GREEN - The rehabilitation of abandoned mine sites is undertaken in accordance with the program agreed by the committee of government agencies, land managers and industry. The committee prioritises works to be funded from the Rehabilitation of Abandoned Mining Lands Trust Fund, which was established under the Mineral Resources Development Act 1995. Under the program for 2009-10, 80 per cent of the projects approved by the committee were completed. The reason for the 20 per cent shortfall was due to the higher than expected costs associated with the work program. It is anticipated that mine safety work on abandoned goldfields at Mathinna, Mount Nicholas area, safety work near St Helens and tailings remediation investigations at Luina have all been approved by the committee and will be undertaken next year. So that is the work that is being done and it is obviously a good program.

CHAIR - Minister, we have been sitting here for two-and-a-half hours and we need to stretch our legs and have a cup of tea so we will suspend for 10 minutes.

The committee suspended from 11.32 a.m. to 11.48 a.m.

**Output group 4
Support for the minister**

4.1 Support for the minister -

Mr WILKINSON - There has been an increase of approximately \$3 million going forward over the next two years in relation to that line item. I understand that reflects the implementation of the Forestry Industry Plan and the Promote Tasmanian Timber initiative. I was just wondering if you could give us some idea of the latest in relation to the Forestry Industry plan. When will it be finalised?

Mr GREEN - Are you talking specifically about the funds that have been allocated to marketing initiatives or are you talking about -

Mr WILKINSON - I do not know what they are for. When you look at the line item in the footnote you can see over the next two years there has been an increase of \$3 million. The footnote says it is to do with the Tasmanian Forestry Industry Plan and what I am after is some understanding of what is happening with that plan.

Mr GREEN - The plan was launched in February 2010 and was developed by the Forests and Forest Industry Council and I have a copy of it. The plan sets out a vision of opportunities, impediments and actions required to grow the industry over the next 10 to 20 years from \$1.5 billion to \$4 billion.

The plan was based on a future where wood is in high demand and where the majority of Tasmania's wood supply comes from plantations and where forests and wood have a major role in climate change strategies. There was the realisation that the plan would require over \$2 billion worth of new private capital and create 2 000 skilled jobs. The plan has broad industry support. To assist with the implementation the Government has committed \$2 million to assist in the facilitation process and that \$2 million effectively will be funded over a couple of years although we have been in negotiations with Treasury to see whether we can move that through but I am really pleased that that commitment has been facilitated in full.

Mr WILKINSON - So it is going to be a two-year development stage, is it, before the plan is handed down?

Mr GREEN - It is more about implementation of the plan and working through the processes of the implementation. The Forests and Forest Industry Council delivered the plan in consultation with the broader industry so there is an understanding of the future.

There are also negotiations going on at the moment, you would be aware, outside that process with ENGOs - environmental non-government organisations - and industry representatives thinking about the future of the industry. As I indicated to the lower House committee on Tuesday, the Government is committed to ensuring that we do our best to build a pulp mill in Tasmania.

We will do our best to ensure that the processes and the climate are right, if you like, to build a pulp mill in Tasmania. To a large degree, many of the changes that the industry faces right at the moment have been driven by industry themselves - for example, Gunns making a decision to go to a feed stock of plantations only for their pulp mill and some other decisions that have been made with respect to the sale of their native forests, et cetera, which all have an impact but necessarily the \$2 million that will be provided will allow us to work through issues and initiatives that may well result from the finalised negotiations between those organisations which

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will ultimately result in us understanding what a new sustainable forest industry is going to look like.

Mr WILKINSON - Is the plan already for public consumption?

Mr GREEN - Yes, we could have a copy here for you.

Mr WILKINSON - If we could have a copy of the plan that would be great.

Mr GREEN - Yes, definitely, we can certainly supply you with a copy.

Mr WILKINSON - So the money is involved with just the implementation of that plan that has already been concluded?

Mr GREEN - Yes.

Mr WILKINSON - In relation to Forestry Tas, there is some suggestion that they are going to suffer quite a significant loss this year. Does that plan take into account, if that is the case, how to get them out of the trouble that they may find themselves in at the moment?

Mr GREEN - The forest industry has faced a steep downturn as a result of the global financial crisis and the fact that orders were effectively down across a range of areas. Of course what we want to be able to do going forward is make sure that we have an industry that is on a completely sustainable footing, provides good income for those participants and contractors et cetera, and we want to ensure that Forestry Tasmania, as it is required to do, maximises its profit opportunities as a result of the sale of forest products from native forests in Tasmania and plantations. I know you are making an assumption about whether or not there will be a loss. It has been a difficult time, reflected across the whole industry, that has manifested itself by the closure of some chip mills in the recent past.

CHAIR - Would you rule out the demands of your Greens cabinet colleagues, who want an end to native forest harvesting?

Mr GREEN - The colleagues within the Cabinet have said on the record that they recognise there is a balance required in harvesting forests in Tasmania. I think you might be referring to good Senator Brown who has suggested that there ought to be an end to -

CHAIR - Another member outside.

Mr GREEN - Yes, that is in the caucus.

Mr HARRISS - The caucus. I thought it may have been the coalition caucus.

Laughter.

Mr WILKINSON - With Forestry Tasmania, my understanding is and my homework tells me that there is going to be a problem. It is more than an assumption and it is just a matter of when it comes out. Paul has already asked the questions in relation to Aurora. Surely we would be keeping our fingers on the pulse, would we not, in relation to Forestry Tasmania, especially

now that word is already out about the problems they are having, to ensure that we can assist in any way that is possible?

Mr GREEN - Forestry Tasmania themselves are part of the process to ensure that we maximise sales overseas. The difficulty Forestry Tasmania has is it is community service obligation. There is a huge expectation, whenever there is a crisis in the forestry industry, that they take a hit to keep the industry ticking over. We want an industry that is completely sustainable where we can market our products around the world and not have the issues of people trying to undermine our products for various reasons, particularly in Japan. We want the appropriate certification so that we can sell our products. Forestry Tasmania is participating in that. That participation will lead to a sustainable industry, and therefore ensure the profit flows to Forestry Tasmania.

Mr WILKINSON - One area that is always going to be a problem is taking the community with them; what is occurring, and does the plan address that issue for forestry; taking the community with them, rather than saying, "This is what we are going to do, thank you for the rent"?

Mr GREEN - It is amazing how the focus has changed for forestry and its important role in retention of carbon and a whole range of other things. The discussion has diversified with people in the conservation area. For a long time we have participated in ensuring that Tasmania's biodiversity is fully protected. There have been huge tracts set aside to ensure that takes place. The discussions that are being held at the moment are paramount and will reflect, in the end, whether we can get community consensus on the forest industry.

Senator Brown is on the extreme side of the debate saying that there should be no native forest harvesting in Australia at all. He is saying it should be plantation based. My view is that there is a far more sensible option for the sustainability of forestry going forward, which does involve the harvest of native forest.

The room we are sitting in now is a very good example of magnificent Tasmanian timbers that were used and put in place many years ago, with the carbon locked up and all those other things.

[12.00 p.m.]

There will be plenty of opportunities to have a sensible debate about forestry and the certification processes. Even though we have an Australian standard based on science that is effectively world's best practice, that has not been good enough for the Japanese because they believe there ought to be community consensus on to forestry as well. If we are successful in achieving FFC for our native forests, that will mean we can market our forests around the world with people knowing that it has that certification; that there is consensus.

Mr WILKINSON - Have you spoken with the sawmillers? They will have real difficulties if native forests are taken out of the equation. They have been the life blood of communities for years.

Ms FORREST - And the specialty timber industry.

Mr GREEN - I have been very busy but I have been to one sawmill, and I have talked with Glenn Britton, who was part of the negotiations, about issues associated with the supply of

sawlogs. Under the RFA, that is 3 000 cubic metres a year. Many of the logs that have been coming to sawmills have been small, and getting the balance right with sawlog material is one of the challenges associated with managing native forests and plantation resources in Tasmania. Unfortunately we saw with FEA the difficulties associated with their business, mainly based around land acquisitions and plantations et cetera. Even then, sawing small plantation timber and the viability of that timber in the market going forward is difficult. It is a balancing act. Unless you have the ability to market all of the products from native forests, you are always going to find it difficult to make the forests pay.

Mr WILKINSON - What plan is there to take the community with forestry, to educate them and allow them to realise what is going on, as opposed to some of the comments out there which are totally off-beam?

Mr GREEN - The plan itself is all about consultation. When you get that plan you will see that part of it.

I think the debate has moved beyond that, to the certification processes that will be in place in the future. It is quite amazing that a company that has been the focus of the Greens' attention and really providing a target for the conservation movement is in fact the company that is, along with Norske Skog, seeking FFC certification on their plantation resources. They have just received control goods status on some of the native forests going back into Japan, which is good. Already the debate has moved forward at a high level with respect to certification. Once we get into a comfort zone it is much easier to educate people about the advantages of having a sustainable forest industry, and that is part of the plan.

CHAIR - I was going to mention to you, Minister, that an MPI that was done in our House a couple of weeks ago, which was initiated by the member, the Sandy Bay sawmiller, which was on forestry, is well worth reading. It would be music to your ears.

Mr GREEN - I will have a look at that. What was it about?

Mr WILKINSON - It was on forestry as a whole and the fact that I believe Parliament should be getting out there as leaders and doing all it can to prop up what we do well, and that is growing trees.

Mr GREEN - That is right. I agree.

CHAIR - There were some very good contributions made by members.

Mr GREEN - That is good. I will have a look at it.

CHAIR - I was just drawing your attention to it. Okay, we will move right along.

Ms FORREST - Minister, you are well aware of the concern in the Burnie community about methyl bromide, and formerly at Bell Bay when they thought it was there. Can you advise the committee about who actually owns the logs that are subject to this methyl bromide fumigation?

Mr GREEN - The shipment has been put together by Forestry Tasmania. They have sourced the wood from the west coast, as I understand it, and some plantations. It is effectively thinnings.

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The material we are talking about is pine, because it is a combined shipment of hardwood and pine. The material we are talking about is very low-quality wood.

Ms FORREST - Is it mostly Forestry Tasmania product, or from private growers as well?

Mr GREEN - It has come off the west coast, which is State-owned, obviously. I am not sure whether they sourced any from private sources as such, but the shipment, has been put together by Forestry Tasmania.

Ms FORREST - So can you tell the committee what the pre-onboard price per tonne is on that shipment, and a breakdown of the costs?

Mr GREEN - The shipment in total is worth \$3 million.

Ms FORREST - What are the costs of the fumigation?

Mr GREEN - I do not have a cost for the fumigation. That is within the ports precinct. You see, Forestry Tasmania put together the shipment and TasPorts effectively said that they could meet the requirements with respect to our international obligations on fumigation.

Ms FORREST - So who pays for the fumigation?

Mr GREEN - I guess the fumigation is paid as part of the overall shipping plan. It is paid for by Forestry Tasmania, and that then is passed on as part of the shipment process to the customer.

Ms FORREST - Your former Labor cabinet colleague, Steve Kons, has been highly critical of your decision to allow the use of methyl bromide at the Burnie Port. He said that if he were minister it would be allowed to happen. The question is, why are we still going to allow it to happen in the port, and particularly in view of the fact that there are other ways of dealing with a bit of scavenging of the gas, and that is one of the major issues here - what is your view on that, and how can the people of Burnie be assured of their protection?

Mr GREEN - In the first place, it is quite interesting, aside from Mr Kons's comments that -

Ms FORREST - They are not interesting?

Mr GREEN - Well, Mr Simpson's is the same, Mr Whiteley's is the same, Mr Rockliff's is the same, Mr Brooks's is the same - I am not sure about your position. Is yours the same? Are you suggesting there should not be fumigation at Burnie?

Ms FORREST - I am asking you about the process that has been involved.

Mr GREEN - So it is not just Mr Kons, it is a range of people, and that range of people - if I could just go through this, Mr Chairman - have a view about the port. Now, as I understand it, it was not that long ago that the Burnie City Council were very critical of me and the Government for any suggestion that in any way the Burnie port should be downgraded and any product or whatever lost from the Burnie port to Bell Bay or any other port. In other words, they were insistent, absolutely insistent that, if we did not step in and make sure that the Burnie port was looked after and maintained its economies of scale, there would be blood in the streets. That is

effectively what they were suggesting, that they wanted an industrial port at Burnie, come what may, and if any person does not agree with them then they are letting that whole region down. So we have an industrial port at Burnie, a very important one, that I absolutely support. The use of methyl bromide, as you well know, is controlled by AQIS at a Commonwealth level. Sure, Workplace Standards has a role with respect to this. The Montreal Protocol has a role with respect to allowing us to use methyl bromide, and just about every product that we use, eat or whatever, if it has been imported or in some cases exported, is fumigated with methyl bromide. Even the cut flowers that you smell, , have been subjected to methyl bromide.

Ms FORREST - The point is -

Mr GREEN - Hang on, you asked the question, I am answering the question. Mr Booth and others, when it was suggested that logs were going to be fumigated, all of a sudden went 'shock, horror!', while not recognising that methyl bromide is used to fumigate a whole range of products. Having said that, there has been a lot of community concern whipped up as a result of this, and I accept that community concern and that is why I have been working very hard to be in a position to ensure that people understand that we are doing our best to not only provide the jobs associated with this shipment of logs that go overseas, at a time when the contracting industry has suffered greatly, not only protect and make sure that those jobs are maintained in Tasmania, but at the same time assuring the community of Burnie that their safety will not be compromised. There is no way, in any way, that I would want to diminish the reputation of Burnie, as has been suggested by Mr Simpson, the new boy up there who is working for the Liberal Party.

Ms FORREST - Mr Chair, can I -

Mr GREEN - There is no way I would want to, in any way, erode the confidence in Burnie and there is no way, I will put on the public record, that I would ever stand by and see the health of the people of Burnie, or the people of Tasmania compromised in any way.

CHAIR - I think the minister has made it quite clear.

Ms FORREST - The question is, people are not necessarily disputing that it needs to be done, there is a requirement here for international trade and that is not in dispute here. What is in dispute is where it is being done and how it is being done. I understand there are other ways, including the scavenging of the gases to a much greater degree than what was being proposed at Burnie, which is very close to the CBD, subject to wind, as you would be well aware, being a resident of the town. So the question is: are there other options being considered, including those more efficient and perhaps more costly measures, of scavenging the gases to avoid any contamination? The fact that food and flowers are gassed with methyl bromide is irrelevant because it does not last that long. It is when it occurs that is the issue and that has occurred obviously offshore, before it comes onto our shores.

Mr GREEN - Yes, as I have just indicated to you, Forestry Tasmania, I and my office have been fully engaged in looking for the best alternatives so that we can reassure the people of Burnie absolutely that we are in no way willing to compromise their health. You raised that in the context that by venting the gas, that is going to compromise their health. I have been told that if the gas is vented at the appropriate rate, then there is no impact on public health. That is what I have been told.

Ms FORREST - But environmentally?

Mr GREEN - That is based on the national guidelines. It does not matter - people can grandstand - I had to laugh, I just about laughed in Mr Brooks's face on his stance on this. It just amazes me. Jeremy Rockliff, day one, went from a great supporter of the forest industry to some public sentiment whipped up and he is right there on the front and now they are all suggesting, him, Mr Whiteley, Mr Brooks, all up on the back of a truck complaining about this, knowing full well that it is administered by the Commonwealth, knowing full well that there is no way that we would compromise people's health with respect to this. Having said all that, of course we will work through the issues and make sure that we come up with something that ensures -

Ms FORREST - So have other options -

Mr GREEN - I have been exploring those options. You will be the first to know.

Ms FORREST - What options have you explored?

Mr GREEN - I have explored a range of options.

Ms FORREST - What are those options?

Mr GREEN - One of them was gas capture, whether that is in fact plausible or possible. Other options that have been looked at are venting the gas offshore; that is doing the process at sea, effectively. There is a range of options that we are looking at. I am just at a point now where those options are coming before me. In fact, I am having a meeting at lunchtime today to talk with the port authority about those options to see which is the best one, or whether there is an option for us with respect to that.

Ms FORREST - This fumigation was meant to be undertaken very shortly, was it not?

Mr GREEN - The 6th or the 7th of July, I think.

Ms FORREST - Which is only a week away.

Mr GREEN - Yes.

Ms FORREST - Can the committee be assured that over the next few days they will get information that will clearly outline that the appropriate path be bored.

Mr GREEN - I will be meeting with the ports today and once I have made a decision or made my mind up with respect to the best course of action, I will make an announcement about that.

Ms FORREST - Thanks, Mr Chairman.

[12.15 p.m.]

Mr HARRISS - Minister, an initiative here with extra funding is Tasmania timber promotion. You would be aware that, over recent years, there has been a bit of a challenge with getting Tasmanian timbers into flooring in housing, particularly, because of the energy ratings. The energy rating requirements are more sympathetic with slab-on-ground and the insulating

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component of that. Are you going to take that into account in your promotion of Tasmanian timbers?

Mr GREEN - I guess what you are asking is that to promote timber will that promotion include the benefits of timber from a thermal point of view -

Mr HARRISS - Yes, that is it.

Mr GREEN - I have not got a brief with me with respect to that; we are just talking about it now. We want people to use timber.

Mr HARRISS - Absolutely.

Mr GREEN - As part of the development, we will look at making sure that people understand. I put that on the public record because I know that is what we will be doing anyway. The advantages of using timber -

Mr HARRISS - It does not sound like it is necessarily, at this stage, a specific component of that but it can be.

Mr GREEN - Certainly, part of the plan is all about allowing people to understand the benefits of timber. From a procurement point of view, the Government supports the use of timber as a sustainable climate-friendly product using locally grown timber. It is better for the environment.

This includes a commitment to ensure that government agencies do not discriminate against the use of Tasmanian products and policies, provide them with contracts and, in doing so, any recognition of forest certification is to be consistent with Tasmania's sustainable forest management.

We committed at the election to help our consumers better understand the green credentials of using timber and the timber products.

Mr HARRISS - It goes further than on-shore; that is procurement. It goes offshore as there was a reduction in the use of Tasmanian timbers because of that energy rating issue, but that can be assuaged if people are made aware of the scientific support for the energy rating which timber can achieve.

Mr GREEN - I agree with everything that you are saying with respect to the use of timber -

Mr HARRISS - Okay, so you think it will be taken on board?

Mr GREEN - The commitment is consistent with the national decision taken by the Primary Industries Ministerial Council in 2009. That is our commitment with respect to procurement. I agree with you, from a marketing point of view, that we should include allowing people to understand the advantages of using timber.

DIVISION 10

(Department of Primary Industries, Parks, Water and Environment)

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Mr GREEN - I would like to say how much I am enjoying being back in the portfolio after not being in it for a while. I was minister for 18 months from 2002.

Mr HARRISS - Minister for spuds.

Mr GREEN - Yes, I was the minister for spuds, minister for merinos. That is a big debate on exotic breeds of sheep. Somebody tagged me as the minister for merinos, because I supported the TFGA's push to make sure medullated fibres did not contaminate that wool-clip.

CHAIR - Rightly so.

Mr GREEN - Well, yes. We might be moving a little bit on that, we will see.

Mr HARRISS - Aha. The green influence.

CHAIR - Pandora's box. Yes, the green influence.

Laughter.

Mr GREEN - I want to stress how important this sector is to the Government. We will continue to work proactively. I am convinced that the State is destined, by its natural endowments, to be a great place to farm and fish. We know that. In agriculture we see potential for serious growth in an industry that will underpin the State's economy into the foreseeable future. Among all of those things that means jobs, and jobs sustained for our decentralised communities, which of course are very important to our way of life. There are two aspects to our approach, and they may not be properly understood. The first is the strategic commitment to water development. Perhaps people are becoming a little too used to this, but I think the Government has set in train, especially through the work that is now under way with the Tasmanian Irrigation Development Board, a genuine transformation to water development. I pay tribute to the previous minister, David Llewellyn, for his tireless work in bringing this plan to fruition, and bringing a number of the water plans to the point where they are ready for development. It is true that these projects take time to deliver, but that is because the projects are quite large and are extremely complicated. The close involvement of the Australian Government and its \$140 million investment also means that we need to tick off all of the Commonwealth requirements, which does put quite a large layer upon the application process, particularly through the EPBC act. In the short run people may express some frustration with the length of time it takes to have these projects roll out but I think it is fair to say that these are long-term projects. They will be there for a hundred years so we need to make sure we get it right in the first place. We need to make sure that our approach is sustainable and sustainable into the longer term.

The second aspect of our approach is that it is not just about the old agriculture department model - the resources, both funding and skills, that this Government puts into agriculture tie into the wider interest and initiatives and we see that this industry is central to our long-term economic health. That is why many of the important initiatives and benefits to farmers are delivered through the Department of Economic Development and Tourism and the Arts. As a department we will always make sure that we work in close partnership with them to ensure that the funds that are expended are in the best interests of the agricultural industry. don't see this as being a demotion of the primary industries but the recognition merely of the special interests and issues, not just about farmers but it is recognition for the sector overall in the development of Tasmania going forward.

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I think there are great opportunities for us to continue to add value in a range of areas across the sector. As I have indicated, water, farming and fishing are central and of course mapping and making sure we understand how we can farm as smart as we possibly can, and issues associated with the land values - all of these things need to be taken into consideration.

In essence what I am trying to say to the committee is that the Government and I as minister are very keen to make sure that we do our best to continue to grow the sector in a sustainable way going forward.

CHAIR - Mr Harriss raised a question on output group 1, Information on Land Services. We have that down as part of your portfolio. Is that still the case?

Mr GREEN - Yes..

CHAIR - Okay.

Mr HARRISS - I thought it might have been David O'Byrne.

Ms FORREST - But not Crown Land.

Ms HUTTON - Not Crown Land Services. Everything else in the output.

The committee suspended from 12.28 p.m. to 1.37 p.m.