

Aird plays his \$4b hand



Tasmania's first \$4 billion Budget handed down by the Treasurer, Michael Aird, on 12 June includes a \$1.5 billion allocation to build and renew road, rail and other infrastructure. There are also record allocations of \$1.5 billion for

health and human services and \$1 billion for education.

"This Budget continues the Government's record of providing tax relief," Mr Aird said. "It extends concessions to Health Care Card holders which will be worth up to \$470 a year and 46,000 Tasmanians stand to benefit."

The Tasmanian Brand Project was allocated \$8 million.

Other highlights of a Budget that was well received by most lobby groups included:

- \$626.8 million to improve the State's transport system.
- \$492.8 million for hospitals and other health facilities.
- \$135.3 million for schools and a further \$34.8 million to improve literacy and numeracy levels among children and adults.
- \$80 million to implement major reforms in the delivery of social services and to implement the Government's clinical and primary health services plans.
- \$99 million to support public housing.
- \$12 million to help save the Tasmanian devil.

- \$10 million for the Environment Protection Authority.
- \$80 million to drought proof Tasmania.
- \$5.7 million to promote other climate change programs.
- \$12 million for urban renewal and to protect built heritage.
- \$4 million for tracks, trails and city bikeways.
- \$11.2 million to promote social inclusion in Tasmanian communities.
- \$14 million to extend tax concessions for those most in need.
- \$2.8 million for neighbourhood houses.
- \$1 million to the Tasmanian Education Foundation.
- \$11.3 million to establish five new Learning and Information Network Centres to integrate community learning, libraries and technology access with other government services.
- \$3.1 million for environmentally friendly traffic lights.
- \$1 million to appoint a Tasmanian Chief Scientist.
- \$1 million to appoint a State Architect.
- \$18.9 million for better police stations.
- \$65 million in additional tax cuts.
- \$10 million to increase workforce participation.
- \$7.2 million to improve job skills and create new training positions.

The Budget provided \$20 million for further development of Risdon maximum security prison, \$42 million for new schools and \$5 million to start construction of the \$79 million Brighton Transport Hub. A further \$23 million will be spent over four years to build a tourist road through north-west Tasmania.

Premier David Bartlett said the Budget "provides the ideas, the drive and the funding to take Tasmania forward with confidence about the future." He described it as an ambitious program of action to deliver his vision of a "clever, kind and connected" Tasmania.

State is looking strong

By Saul Eslake

The first Budget of the new Bartlett administration (the Tasmanian one, not the fictional one watched with enthusiasm by our new Premier in the TV series *The West Wing*) has deployed a dramatic improvement in the State's revenues to fund a range of new spending initiatives, especially in health and education. There is a substantial increase in infrastructure investment, but the Treasurer has adhered to a very conservative fiscal strategy (especially by comparison with that of other States), leaving Tasmania's general government sector in a strong financial position.



The Budget is predicated on a confident (but realistic) outlook for the Tasmanian economy, noting that "Tasmania's economic performance is likely to remain strong even if some major projects do not proceed as currently expected".

There have been further improvements in the quality of the State's Budget Papers... Tasmania is now only marginally behind Western Australia (and significantly ahead of the Commonwealth and Victoria) in terms of the comprehensiveness and transparency of the information it provides.

As foreshadowed in the Mid-Year Review of the 2007-08 Budget, which was released in February, the Tasmanian Government's revenue position has improved significantly since last year's Budget. Total revenue for the 2008-09 financial year is now estimated at \$4.1 billion, \$40mn more than forecast in the Mid-Year Review; \$258mn more than forecast (for 2008-09) in last year's Budget, and \$579mn more than the initial projection for 2008-09 made back in the 2005-06 Budget.

Over the next three years (2008-09 through 2010-11) the Government will collect almost \$900mn (or 7.6 per cent) more in revenue than it envisaged at the time of last year's Budget.

Of this latter amount, \$388mn comes from upward revisions to estimates of State tax revenues (mostly stamp duties and payroll tax), \$287mn from upward revisions to projections of GST revenue and other grants from the Commonwealth Government, and \$315mn from other sources, including what appears to be a massive increase in revenue from fines (which are forecast to raise \$27.4mn in 2008-09 compared with \$13.6mn in 2007-08).

In contrast to last year's Budget, which directed most of the uplift in revenues over the preceding 12 months to the bottom line (in order to achieve the Fiscal Strategy targets which had been established but not met in the first Budget after the 2006 election), this year's Budget directs most of the further improvement in revenues to a range of new spending initiatives totalling more than \$1 billion over the next four years.

New "operating" or recurrent expenditure initiatives total \$388mn over the four-year forward estimates period (2008-09 to 2011-12) and are estimated to grow at an average annual rate of 2.5 per cent. The Budget provides an additional \$622mn over four years for new capital expenditures, lifting total infrastructure spending funded from the Budget by some 60 per cent to more than \$1.6 billion over the four years to 2011-12.

Despite the significant improvement in the Government's revenue position, there were no new taxation reforms or measures announced in the Budget, other than the extension to all Health Care Card holders of motor vehicle concessions. Total State taxation revenue is projected to rise at an average annual rate of 3.6 per cent over the four years to 2008-09. While reflecting the slower (2.1 per cent) expected annual growth rate of GST revenue, overall revenues are forecast to rise at an average 2.1 per cent a year over the forward estimates period.

The Treasurer's Budget Speech announced the establishment of a Business Tax and Regulation Reference Group to advise the Government on "efficient and equitable" changes to taxes and regulations and to assist the Government's participation in a national review of taxation.

The substantial improvement in the revenue outlook since last year's Budget has allowed the Government to commit to new spending initiatives totalling more than \$1 billion over the next four years while adhering to all of the requirements of its Fiscal Strategy and leaving the budget in a very strong financial position. In particular:

- the net operating surplus will exceed \$100mn in each year of the forward estimates period, reaching \$275mn in 2011-12;
- the fiscal balance will be in surplus each year and by an average of \$65mn per annum over the next four years;
- the overall cash surplus will exceed \$100mn in each of the next four years; and
- net financial assets will rise from \$969mn at the end of 2008-09 to an expected \$1.66bn by 30 June 2012.

These surpluses are smaller, and the level of net financial assets will be somewhat lower, than projected in February's Mid-Year Review. This reflects the impact of the policy decisions outlined above which have been taken in the period between the Mid-Year Review and the Budget.

Assuming the Tasmanian economy performs in line with Treasury's forecast, the 2008-09 Budget puts the new Bartlett administration in a strong position looking forward to the next State election due in the first half of 2010.

Presumably with an eye to the electoral cycle, the new spending initiatives funded in this year's Budget build are "back-loaded" into the 2009-10 fiscal years and beyond, while leaving some scope for further measures in next year's (pre-election) Budget without putting at risk the key elements of the Fiscal Strategy laid down after the 2006 election.

Health was a big winner in this year's Budget, as it has been since the last election. There is also a significant uplift in infrastructure spending – something for which there is considerable justification and capacity. Although David Bartlett assumed the Premiership only a couple of weeks ago, there are some hints of his priorities in the new education and IT initiatives and (perhaps also) in the absence of any explicit mention of the proposed Tamar Valley pulp mill in the Budget Speech or of any funding for infrastructure associated with the project.

Tasmania's improving economic performance is now delivering positive revenue "surprises", which are allowing the Government to address both previously unmet and newly emerging social and economic needs, which can in turn lead to improved economic performance and greater social well-being, without having to increase State taxes or incur excessive financial risks. This is almost literally a world away from the treadmill on which Tasmania found itself in the 1990s and is a tribute to the efforts of previous Premiers and Treasurers during that period and since.

The challenge for David Bartlett, and for other aspirants to the position he now holds, is to sustain this new-found prosperity and to use it as a platform for comprehensively narrowing the gaps between Tasmanians and other Australians in terms of educational attainments, employment opportunities, productivity, social inclusion and general well-being. In all of these areas, much remains to be done.

For Saul Eslake's full commentary, go to:

www.anz.com/aus/corporate/EcoComm/SpeechesArticlePres.asp

Wasabi shows fresh promise

By Graeme Phillips



Although wasabi is only distantly related to horseradish, what we get in those little green squeeze tubes or in powder form *is* mostly horseradish with green food dye added.

In Japan, wasabi grows wild and is commercially produced in the sharp gravels and clean glacial waters of mountain streams, where water temperature remains constant at between 11°C and 14°C.

It is known there as “green gold” and its labour-intensive cultivation is declining due to shortages of willing workers, water pollution and urban encroachment. Accordingly, it is expensive, highly valued by the Japanese and rarely exported.

In the early 1990s, wasabi was identified as a potential alternate low-volume, high-value crop suited to Tasmanian conditions. The Department of Primary Industry estimated that 10 hectares of the plant could return between \$3 million and \$5 million a year.

Ian Farquhar liked those numbers and pioneered the crop on his farm in north-east Tasmania a decade ago. Despite experimenting at Winnaleah with growing wasabi in soil and in the cold waters and stream-side gravel beds of the Mole Creek cave system, he now regards those projected returns as illusory.

“It’s very pedantic about its environment and is highly demanding of water, energy, time and money,” he says today.

After almost as long trying to produce commercial crops in water races in Bothwell in the Central Highlands, Will Bignell says much the same.

“We lack sound scientific knowledge, it’s difficult to tissue culture, costs a lot of money to grow and has proved very difficult to consistently grow commercial quantities of good quality material,” he says.

However, Stephan Welsh has been successfully growing wasabi for seven years on his Arandale property at Perth in the northern Midlands, using hydroponic techniques for the past five years. He’s now confident he’s got the growing system sorted out and has invested around \$250,000 in a 1,000 sq metre, climate-controlled, hydroponic greenhouse. Welsh has planted 4,500 plants in the first year of a three-year trial to test the economics of growing it in commercial quantities and to assess the consistency of market demand.

“If it all works out, we aim to expand production with another seven or eight similar greenhouses,” he says. Last year he joined three other Tasmanian wasabi growers in a joint marketing group trading as Shima Wasabi, the aim being to offer a single point of contact for the year-round sale of the fresh and value-added products.

In addition to Welsh, the growers are Melina Parker at Milton Farm in Don, and Matthew Marston and Rob Gibb both in Westbury.

Shima Sales and Marketing Director, Melina Parker says they can now consistently despatch fresh leaves, stems and petioles (crunchy leaf stalks) to anywhere in Australia within 24 hours of receiving an order.

Etech tops its class



Tasmania’s Etech Group has won two top prizes at the Australian Information Industry Association Awards, positioning it among the nation’s outstanding ICT businesses.

Following its national success, Etech will represent Australia at the Asia Pacific ICT Awards in Indonesia in November. Etech’s innovative eLearning product – Studywiz – earned it the Best of the Best Inspiration Award for most successful ICT company in the nation, as well as the Education and Training iAward for the delivery of innovative education ICT solutions.

Etech has 15 years experience developing educational software for schools, universities and the corporate sector. As well as a head office in Hobart, the company has offices in Melbourne, China, the United States, Britain and Russia. Studywiz is being used in 22 countries and more than 1.2 million students are licensed to use it. It is one of the top three learning programs in the British education system and the American State of Maine has implemented Studywiz as a state-wide solution to support the world’s largest one-to-one educational laptop program.

Since its beginnings in 1993, Etech has progressed from educational multimedia into the eLearning industry, working with educational and corporate clients. Etech specialises in developing online learning technology for education and life-long learning. CEO, Geoff Elwood, said Studywiz and Etech’s learning delivery system, Fourpoint Learning, were both created through collaboration with clients.

He said: "This practical approach to achieving outcomes has found friends and won clients all over the world. The Etech Group is proud that its rapid growth has been facilitated through a client-by-client approach to delivering flexible learning outcomes. Etech Group sees itself as a technology enabler for education, providing innovative, pedagogically sound applications and services. Our technology has been designed to assist clients to create outcomes-focused learning environments, track and improve their performances over time, and to empower them to be the best, with dynamic, world-leading products."

The Premier, David Bartlett, hosted a reception in Hobart to celebrate Etech's achievement. He told attendees: "I am particularly proud that Tasmania is leading the way with an educational product. Improving education outcomes is crucial to the success of any economy and one of my major priorities as Premier ... the future I see for Tasmania is a clever one where we lead the world in innovation. Etech is a perfect example of this aspiration."

For more information: www.etechgroup.com

Musical talent on parade

By Penny Thow



Tasmania's extraordinary reserve of youthful musical talent has been demonstrated by a Hobart Chamber Orchestra concert featuring the works of five of our young composers. The Sounds of Tasmania performance was conducted by Tasmanian Conservatorium of Music Head of Strings, Edwin Paling, and featured cellist Christian Wojtowicz as guest soloist.

The concert was the idea of composer **Damien Holloway**, who is president of the orchestra's committee and his work *Introduction, Allegretto and Fugue for String Orchestra* was a feature.

"I wanted to do something different with the orchestra and bring more variety to its repertoire this year to really push the boundaries," Holloway said. "The concert aimed to give people exposure to what's happening in Hobart at the moment, and the talent we have here. We also aimed to dispel the perception of the association of modern composition with the experimental *avant garde* movement of the '60s and '70s. People are a bit frightened of modern music, but we want them to realise new music is not really like that any more; that it is entertaining and they can enjoy listening to it."

Holloway describes his work as a homage to the music of Bach. "I admire the ambiguity of his music," he said. "This was probably the most conventional piece on the program. It opens with a long, slow and expansive melody with lush harmonies underneath. The middle section continues the same ideas, but is faster and more agitated. Then it all comes together in the fugue at the end."

Simon Reade's *Sonata* was inspired in part by a dramatic thunderstorm he experienced in northern Tasmania last year. "The thunder and lightning was coming across Bass Strait through the night, making sleep impossible," Reade said. "In this composition I have attempted to overlay the storm music across the framework of a traditional sonata structure with the two forms of music competing with, as well as complementing, each other. There is a motif, a rumble, played by the cellos and basses which gradually builds up to a climax and then disappears into the distance with the violin and the violas."

Matthew Dewey's *Symphony No 1 for String Orchestra* was written after he had a strong emotional response to Tom Holloway's play about the Port Arthur massacre *Beyond the Neck*. "It is purely and simply an emotional response to a terrible atrocity, and is inspired by an excellent piece of theatre," he said. "While it is about complicated emotions, the music is lyrical and direct. I tried to strip away the complexities, so it communicates."

Dylan Sheridan said his work, *The Sea of Forgetfulness*, was about searching for strength outside one's self. "It is quite chaotic but tonal," he said. "It ends on a chord that is not found in the rest of the work, suggesting the beginning of a new perspective."

Thanapoom Sirichang's *Twilight Meditation (Sonthayacharn) for Solo Cello and String Orchestra* reflects the music of his native country, Thailand. "It is structured around a motif of four pitches loosely based on the pentatonic scale, which is common to both Thai and Western music," he said. "It gives a feeling of sonority. The music is shaped by the rhythms of traditional Thai drumming patterns, which form an interplay between the soloist and ensemble."

Scramble for Tassie grapes

By Graeme Phillips



Tasmania's vineyards are reaping the benefits of "a bastard of a year" in many interstate growing areas, with prices paid by national wine-makers for

Tasmanian fruit hitting new heights. Some parcels of chardonnay, for example, have sold at more than double last year's average of \$2,600 a tonne.

Overall, Australia's 2008 vintage has defied record heat waves, floods and drought to come in at 1.83 million tonnes, almost double the amount of some early predictions and 31 per cent up on the previous year.

In Tasmania, the vintage was initially estimated to be about 7,000 tonnes. It now appears to have broken all records to come in at over 10,000 tonnes and, with the wines now safely tucked away in tanks and barrels, the quality across all varieties and all regions appears to range from very good to exceptional.

That's a much better prognosis than most other Australian regions, with the exception of Western Australia's Margaret River. "A bastard of a year" is one South Australian winemaker's description of the vintage, a comment that might well have echoes along the Murray to parts of Victoria and the Hunter Valley.

In the winners-and-losers way of such things, Tasmanian producers will not be able to pump out enough sauvignon blanc or pinot gris/grigio to keep up with demand.

Meanwhile, two new varieties are emerging. An albarino has been harvested at Tamar Ridge, following an experimental research series release last year, and a nebbiolo, which made its 2007 debut as a rosé, will be available sometime in the future from Stefano Lubiana.

Albarino grapes make the crisp, minerally whites of north-west Spain's Galicia and Rais Baixes regions, as well as the scintillating, fresh *vinho verdes* of northern Portugal. Tamar Ridge's CEO, Andrew Pirie, says the 2008 vintage is just finishing fermenting and it's too early to make any assessment of how it will turn out. He adds, however, that the quality of the experimental 2007 vintage has given Tamar Ridge the confidence to plant a commercial block of four hectares to the variety at Coombend on the East Coast.

Nebbiolo is the noble red grape of Italy's Piedmont region, responsible for the area's powerful and long-lived Barolo wines, rated among the world's best. Steve Lubiana has been playing round with small batches of the variety for a few years, waiting for his small block of vines to put on a bit of age. He says the 2008 vintage saw the grapes ripen well with a good level of acidity and the five barrels of finished wine were very aromatic and elegant in structure. While we won't see nebbiolo released for a while, it's an exciting development and should prove well worth the wait.

Quality code for abalone

The Tasmanian wild-catch abalone sector has commissioned an audit of research into the Chinese market as a precursor to a strategic branding, marketing and promotion program. The project includes a Quality Code of Practice, focussing on the activities and protocols required to maintain the quality of live abalone along the supply chain.



The code, being developed with assistance from Hobart-based Rural Development Services, will deliver two major outcomes to the Tasmanian Abalone Council:

- Improved quality-assurance capability for the wild fishery's entire live abalone supply chain.
- A demonstration of the industry's commitment to treat its product with exceptional care – during harvest, handling and export – ensuring that abalone arrive at their destination in the best possible condition.

The project manager, Tom Lewis, who runs seafood and food-manufacturing programs for Rural Development Services, explained that the code was being developed through a four-stage process, designed to make full use of industry expertise and knowledge:

- Stage 1 – What are the risks to quality?
- Stage 2 – What can we do to manage those risks?
- Stage 3 – How can we show our customers what we are doing?
- Stage 4 – How can we help industry adhere to and improve these practices?

The project has funding support from the Advancing Agricultural Industries Program of the Australian Department of Agriculture, Fisheries and Forestry.

Tom Lewis said: "During a previous existence as business development manager for the Australian Food Safety Centre of Excellence, I learned that evolving market sophistication is leading to ever-increasing demands on food producers. For example, it wasn't too long ago that having a rigorous and transparent food-safety program would allow a food producer to attract a premium price. These days, such a food-safety plan is the basis for entry into most markets."

He said the vast majority of Tasmania's 1,200-tonne live abalone exports are entering the Chinese market with little or no investment in marketing or value-chain efficiency.

"The ultimate aim of the Quality Code of Practice, its associated brand and the marketing efforts within China is to increase the profitability of Tasmanian participants in the live abalone supply chain," Mr Lewis said.

"Whether this occurs through attracting a premium price on live abalone exported under the code, or whether the code acts to help Tasmanian product hold its place in an increasingly competitive market place, or whether it's a combination of the two remains to be seen."

The Tasmanian Abalone Council wants to demonstrate that the quality of live abalone harvested from Tasmanian waters is equal to the best in the world. "The outputs from this project will be critical to that aim," Mr Lewis said.

Rural Development Services provides private research, project management and extension services to rural communities and industries. The company has technical expertise in agricultural production, training and research, rural development, facilitation, communication, social research and project management. Rural Development Services offers training courses and consulting services to land managers and agribusinesses, and also runs industry events and conferences covering such topics as natural resource management, grazing management, breeding, financial management, strategic business planning, facilitation skills and leadership programs.

Tourism wins quadrella

Tasmania was the most decorated State at the 2008 *Australian Gourmet Traveller* Travel Awards in Sydney. Readers of *Australian Gourmet Traveller*, one the country's premier travel and food magazines with an overall readership of



300,000, voted four Tasmanian tourism ventures into a list of Australia's best, giving Tasmania the nation's biggest representation. The Tasmanian award-winners were:

- > Freycinet Experience Walk - best eco-tourism experience.
- > The Port Arthur Historic Site – best heritage tourism destination.
- > Cradle Mountain Lodge – best lodge accommodation.
- > Maria Island Walk – best adventure tourism experience.

Port Arthur's success follows its recent recognition as the best cultural experience in Australia by *Travelling in Australia* magazine.

King Island going solar

The Australian and Tasmanian governments have approved \$720,000 in funding for a \$1.44 million solar installation that will supply 190 MWh a year of renewable energy to the King Island electricity grid. Welcoming funding from the Australian Government's Renewable Remote Power Generation Program, Hydro Tasmania Chief Executive Officer, Vince Hawksworth, said the project would provide:

- > Diversification, so power can potentially be generated from one renewable source (such as solar) when the other source (wind) may not be active and vice versa; and
- > A demonstration of how a variety of renewable energy technologies may be used in an integrated system to service remote communities. The solar project will reduce diesel consumption by about 30,000 litres a year, resulting in CO₂ savings of around 90 tonnes a year.

Heart drug from nature

Marinova Pty Ltd has extracted a natural anti-coagulant from undaria seaweed harvested on the east coast and believes it has global potential as an organic alternative to the widely used synthetic drug heparin. Australia's Minister for Innovation, Industry, Science and Resources, Kim Carr, told a BIO 2008 conference in San Diego in June that derivatives, called fucoidans, were already being used in the treatment of wounds in clinical trials.

He said Cambridge-based Marinova had developed a range of high and low molecular-weight fucoidan fractions and was able to meet highly technical requirements for medical and pharmaceutical applications. AusIndustry provided an \$894,000 grant to the biotechnology company in 2006 to develop its Cambridge laboratories.

Female head for Upper House

Tasmania's Legislative Council, which already had the highest proportion of female politicians in any house of any Australian parliament, has elected Sue Smith as its first female President. Mrs Smith, 57, has represented the Ulverstone-based electorate of Montgomery for the past 11 years. She defeated Huon independent Paul Harriss, for the coveted position which had been held by another independent, Don Wing, for the past six years. The president of the Legislative Council is not able to take part in debates or vote on motions or bills – unless a casting vote is required. Mr Wing, 70, became frustrated by these restrictions and will serve out the final three years of his term as member for the Launceston seat of Paterson as an ordinary MLC.

Airport upgrade underway

Work has started on a \$20 million upgrade of Launceston Airport that will introduce checked baggage x-ray systems, more retail space and a new-look terminal building. Launching the project, the Minister for Environment, Parks, Heritage and the Arts, Michelle O'Byrne, said the redevelopment followed a successful period for the airport with a million passengers passing through in a single year. "The Airport became the first in the State – and one of the first in the country – to receive flights from the Singapore-based low-cost airline, Tiger Airways. And in a trifecta of big wins ... December saw a record 100,000 passengers through the airport in a single month."

AFL campaign gears up

Tenders to prepare a business case for Tasmania's bid to enter a team in the AFL competition are being short-listed. The new Premier, David Bartlett, has publicly committed to the *It's Time Tasmania* campaign, 20,000 bumper stickers have been printed and a dedicated website has been established. To learn more about the campaign to include Tasmania in the "national" Australian rules competition ahead of western Sydney or the Gold Coast, go to: www.tassiefootyteam.com.au

Manx deal for Incat

The Isle of Man Steam Packet Company, an established operator of Incat-built vessels, has purchased Incat 050 for service on the Irish Sea. The 96-metre wave-piercing catamaran will replace a monohull fast vessel and serve primarily on the Liverpool – Douglas route. The operator's Chief Executive, Mark Woodward, said: "The purchase is a real step forward for the company ... over the past few years, we have looked at a number of possible vessels and we believe we have found the craft that most ideally meets our requirements." *Incat 050* was built in Tasmania in 1998. After a period of commercial service in Australia and New Zealand, it was chartered to the US military for evaluation purposes in 2001.

National honour for Muir

The Managing Director of Kingston-based Muir Engineering, John Muir, has been honoured as the Australian Superyacht Industry's Person of the Year. Mr Muir has spent 40 years developing a global business based on high-performance anchoring and mooring systems. Exports now account for 65 per cent of production and the company works with some of Europe's leading superyacht yards. Mures is expanding its headquarters in Kingston. It also has offices in Florida, Southampton, Sydney and the Gold Coast.

Tassie's kind to Mercurio

More than 1.6 million Australians watched two Tasmanian episodes of *Paul Mercurio's Menu*, aired nationally between March and May by the Seven Network. An episode on southern Tasmania was viewed by 870,000 people – the second-highest rating episode of the entire series. The episode covering Tasmania's north and north-east region had an audience of 786,000. Tourism Tasmania's Visiting Journalists Program hosted the series' producers, WFTN Entertainment, on an eight-day filming trip to the State in February.

Nine railway bidders

Pacific National says nine parties have expressed interest in the purchase of its Tasmanian railway assets. The company, which bought the operations for about \$40 million in 2003, is seeking to sell its lease and rolling stock by September this year. The Tasmanian Government has assumed ownership and responsibility for track infrastructure, which carries 2.63 million tonnes of freight a year.

\$40b. oil estimate

Oil explorer Great Southland Minerals announced in June that two Tasmanian drilling sites may have "undiscovered prospective petroleum resources of 304 million barrels" – worth more than \$40 billion at present global prices. The new estimate is more than four times an initial estimate released in May.

\$2m potato store

A \$2 million state-of-the-art potato storage facility is now operating at Sisters Creek in north-west Tasmania. The 7,000-tonne facility, developed by long-time potato growers Phillip and Jane Beswick, will provide extra local capacity in response to a 30 per cent increase in production foreshadowed by contract buyer, McCains Foods Australia.

Hollywood eyes our islets

Tasmania is in the running as the location for a Hollywood movie set in a lighthouse on a windswept island. The State Government and Screen Tasmania are working with the prospective producers of the historical film, *South Solitary*, to have Tasmania confirmed as its location.

Jobs at new peak

Tasmania's unemployment rate fell by 0.1 per cent to a record low of 4.4 per cent in May, according to Australian Bureau of Statistics figures. There were 900 more Tasmanians in employment, delivering another record of 233,300.

Population powers on

Tasmania's population rose by 1,223 - or 0.25 per cent - in the December quarter of 2007 to a record level 495,772, according to the Australian Bureau of Statistics.

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