

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE TASMANIAN FORESTS AGREEMENT BILL 2012 MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 13 FEBRUARY 2013.

Senator RICHARD COLBECK, SHADOW PARLIAMENTARY SECRETARY FOR FISHERIES AND FORESTRY, WAS CALLED, MADE THE STATUTORY DELCARATION AND WAS EXAMINED.

CHAIR - Members, we are on air so we will reconvene. Welcome, Richard, to the proceedings of this committee.

Richard, we would be happy to hear a verbal contribution from you to build on the other matters which we are aware of and that will inevitably raise some questions so it is over to you, please.

Senator COLBECK - Thanks, Chair, and thank you all for the opportunity to come and present to you today.

As you would all be aware, I did write to you during the debate on this piece of legislation and followed that up with a submission to this process because in my view, this is one of the most important discussions that Tasmania has been through for a long time and obviously as a Legislative Council and the house of review in the Tasmanian parliament you hold a very, very important role in where this piece of legislation takes us and the effect that has in the longer term. It is in that context that I have made my representations to you.

Obviously I am a Tasmanian representative in the Australian parliament and I also hold the responsibility for the fisheries and forestry portfolio in the federal parliament for the opposition so that brings with it another context. I will talk to you about that during my verbal submission, but also it may be something that you want to ask some questions about. That basically explains why I am here.

I am not here in any way in a partisan role but my real desire to be here today to talk to you is about my vision, where I see a future for this state, its capacity for development and its capacity to determine its own future in respect of the sensible use of its natural resources. I think that's really very important and so I come to you in that context, but as I said I also have a policy role federally.

To look at this matter and the history of this matter since whatever shape table it was that started two-and-a-half years ago, it really got some momentum when Tony Burke came to the TFGA conference. It must have been 2010, I think it was, to start a process. He was still agriculture minister at that time and started a process of discussion at the TFGA conference in Launceston.

At that time I sat down with representatives of the forest industry nationally, particularly then NAFI and the Timber Communities Australia representative, to go through their rationale for participating or commencing their participation in this process. I didn't know as much as I knew then but the fundamentals of that conversation were around wood supply. I'm sure that you are all very familiar with this document. This is the

supply projections for timber into the future and I did bring some copies of that if you want to have a look at that as part of the conversation. Our conversation around the rationale for getting involved in this process was all about wood supply and the guarantee of wood supply into the future. The objective of industry at that point was to ensure that they had at least 100 000, 155 000 cubic metres of timber per year to maintain what was left of the industry once Gunns had made their decision to opt out.

Gunns' decision was a commercial one. It was one that was reached as part of the negotiation with environmental groups to help manage the process for their proposed pulp mill project at Bell Bay. It was that deal that was done between Gunns and the environmental groups that became a catalyst for the process that we are at the tail end of now. There is absolutely no question in my mind about that.

The unfortunate thing about this whole process is that it is not just about forestry. It is a deal that was negotiated between the forest industry representatives and the environmental group representatives, but it is not just about forestry. It has much, much broader implications for this state and for the aspirations for this state.

It potentially damages seriously if the Statement of Principles process is taken to its full extent. It will have a huge impact on agriculture and we've all heard, and you would have taken evidence I am sure, in respect of the discussions around the impact on the mining sector, although I do note that minister Burke has made some exceptions around that, but for tourism, the quality design and fine furniture industry, woodcraft and wooden boat building all of which are very important industries for this state, the special species area, which employs up to 2 000 people, the impact on that I think is of serious concern. Those particular areas are parts of Tasmania that we, as a broader community, actually value so highly because they say so much about this state.

I don't know about you, but my vision for this state is about its uniqueness, it's about the quality of products that we provide, it's about speciality and it's about quality. All of those things are important to me and I think more broadly to the community.

The really tragic thing about this forest deal is that it takes our timber industry in exactly the opposite direction. It pushes it towards a plantation-based industry, which is about a commodity-based product. It pushes us into a situation where we will be competing on a global market against other commodity-based industries, which plays into the natural disadvantages of this state, which are access, cost of access and a whole range of other things that go along with being a small state, rather than being focused on a product that is unique, that is special, that is high-value and that can be converted into high-value products, which is a native forest-based product.

I cannot understand why the environment groups are pushing Tasmania towards a commodity-based market when it effectively stands against everything that they stand for. If you look at a comparison in respect of environmental values for a native forest-based industry versus a plantation-based industry, a plantation-based industry will provide you with better environmental outcomes than a native forest-based industry. It will store more carbon. It's better for biodiversity. It's better for landscape values, which converts into our tourism industry. It uses no chemicals.

Mr HALL - Sorry, you said it the other way around.

Senator COLBECK - Native forests provides these benefits over plantation forests. That's what I'm saying. I'm sorry.

Mrs TAYLOR - We were just worried for a minute there because you said it the other way around.

Senator COLBECK - No, no. My apologies. Thank you. A native forest provides these benefits over plantation; there is no question. It stores more carbon, it's better for biodiversity, uses no chemicals, better water quality, better landscape values, all of the things that the environmental groups tell us that they aspire to. The native forest industry provides those benefits over and above plantations. When you look at the Statement of Principles process and the broad objectives of where we are looking to go as part of this process, by removing access to a native forest resource, you then look at where this plantation resource will be provided.

If you look at the projections in the supply calculations, it talks about a requirement for 130 000 hectares of plantation to replace the native forest resource. In Tasmania we have 650 000 hectares of agricultural land, so you are talking about 20 per cent of our agricultural land that could be taken up in plantations if we are going to make that transition. That's what it says in the Statement of Principles and that's the objective of the environment groups - to move us out of native forests and into plantations.

In fact, just last Friday Margaret Blakers from the Green said that we need to get our forest industry out of native forests at a hearing in Canberra, so that is a clear objective. It has to go somewhere. Are we going to continue to spend hundreds of thousands of dollars or tens of millions of dollars on irrigation projects to increase our agriculture, when you have the spectre of a 130 000-hectare requirement for forestry overlaid on our agricultural industry. To see what that potentially means for some of our individual sectors, consider that the dairy industry currently has a plan for the next few years that talks about an extra 70 000 cows.

Now, at two cows a hectare, which is a fairly conservative stocking rate - some of the high-performing dairies are at 3.5, so let's say that at an average of about 2 - you are talking about an extra 35 000 to 40 000 hectares required for the dairy industry for its expansion.

In Circular Head, where my perception would be that some of the plantations that currently exist would be converted back to dairy, there is an immediate conflict between the objectives of this piece of legislation and those of the dairy industry.

Poppies have seen a growth in the last 10 years, I suppose, from 10 000 hectares to 28 000 hectares this year, with projections for further growth. It shows the tensions that are existing and what we are putting at stake by saying that we are looking to move our forest industry out of the forest, effectively, onto agricultural land. That, to me, just does not stack up.

So we are moving from a unique, quality, high-value-based product to a commodity product which puts us, I think, in a disadvantage on global markets but we are also putting at jeopardy our agricultural sector. There is no doubt in my mind that this

process - the reserves that might be created out of this process - will be used as a weapon against other industries in their attempts for development.

You have seen the discussion recently about conflict in the Tarkine and, while I have to say I very much welcome that decision, I do note that minister Burke has said that there still opportunities for further protection in the Tarkine as a result of this process. So the Tarkine is still not off the table with regard to further potential closures as far as minister Burke is concerned because he has stated that there are further opportunities for lock-up.

In respect to the proposal that this is a peace deal, I have to say I have never believed from the outset that that is what this is about. In fact I have been quite angry that it has been pushed as a peace deal because from every piece of evidence that I have seen there is no question that there will continue to be conflict around environmental matters in this state, particularly forestry, because it is obvious that the environmental groups have not achieved what they want to achieve. I understand that you have taken a number of pieces of evidence to that effect.

So, in that context, I think that it is perhaps one of the greater frauds of this process that has been perpetrated on the Tasmanian community. This is not a peace process.

If you go back to the state of the conservation report on Tasmanian wilderness at the UNESCO World Heritage report from 2010, it says in that report -

[**To be confirmed.**]The reports received from NGOs and other conservation interests consider the 21 adjacent formal reserves are not sufficiently representative of tall eucalypt forests -

This is talking about an extension that was being proposed for the World Heritage areas -

and identify areas they will consider to be added as a further extension to the property. The extent of areas they consider meet world heritage criteria extend to 806 000 hectares.

We have just had a nomination for 170 000 hectares and yet the environmental groups are, and have been for a period of time, writing to the World Heritage Commission asking for an additional 806 000 hectares.

That would take our world heritage area to over two million hectares, and out of 7.2 million hectares, that is a significant proportion of our state and that has obvious implications for possibilities for development because we know what the rules are that sit around World Heritage listing.

We have already noted that in recent times the agreement around mining has been finalised where there will be no mining in World Heritage areas. That has been ratified by the World Heritage Commission at its last meeting, based on state and commonwealth governments coming to agreements to finalise a couple of mining leases that existed down in the south-west.

In respect of the future of the native forest industry in Tasmania, if you sign off on this deal it is effectively signing the death warrant for the Tasmanian native forest industry.

All you are doing is post-dating the death warrant. It is quite clear reading through the projections that at the levels of timber supply set in this agreement with the state government, between the Greens and the environmental groups - 137 000 hectares - is not sustainable with the proposed lock-ups. I would suggest that you probably have until about 2030, and that aligns very closely with the dates proposed for the exit of native forest that have been part of the discussions through the statement-of-principles process. The environmental groups were initially talking five years, industry has been talking 15 to 25 years, but the reality is the timber is just not there. That is why I come back to this document. Up until recently Forestry Tasmania has been calculating its harvest rates based on this entire amount of forest. The rates of timber they were supplying to Ta Ann and the rest of industry have been based on this figure, as is required of the amount of the RFA on 300 000 cubic metres of high-quality sawlogs.

The tragic reality of this whole process is that the entire area shaded in pink isn't any good for sawlogs. If you take Gunns out of the proposition - and they had something in the order of 180 000 cubic metres of the 300 000 cubic metres - and then lock up what they had, which is about 50 per cent, you are effectively locking up the rest. Harvest rates are going to intensify over what they are now if you lock up a whole heap more. What you are doing is effectively squeezing the industry and shaking it to death over a long time. If you read through the wood supply reports and the various scenarios in this document, it is quite clear that that is the case. At a headroom of 20 per cent and not locking up anything further you will be able to harvest approximately 165 000 cubic metres in the long term. That projection is out over 100 years. If you lock it up, those projections come down significantly to under 100 000 cubic metres and you are getting to the stage then where you don't have a forest industry of scale that is viable.

Scale is a very important part of this process. There are only one or two globally competitive timber mills here in Australia. One is at Hayfield [**To be confirmed.**], that was formerly owned by Gunns, and its entire volume is 150 000 cubic metres of timber a year. That is a globally competitive hardwood mill. There are some softwood mills that are doing that but if you are going to be in the game globally and competing in that market, which we are, that is the sort of scale you are going to have to beat. Unless we are operating our industry at a scale where you can get a premium for quality and all the uniqueness that our native forest timber industry can bring, you are not in a situation where you are going to be able to have an industry into the long term.

Part of the strategy from the environmental groups is to strangle the industry financially. We have seen that with the sale of the woodchip mill at Triabunna to Triabunna Investments. That particular act makes me more angry about this whole process than anything else. That has financially strangled industry, particularly in the south of the state, to a stage where you have enormously-financially-stressed businesses here now. That is because they haven't been able to get rid of their residues.

The environmental groups know very well that unless you have a market for every single product that comes out of a sawlog your business is not viable, so their attack on that part of the market has an obvious and flow-on effect to the rest of the solid timber industry - the part of the industry we should treasure and promote as part of the image we have in Tasmania: high quality, high value, high capacity to value add at high levels. They are the things we ought to be pushing because it fits with the image of this state.

You have those particular actions that are being made that have that impact on the finances of the Tasmanian industry and this process actually pushes them into an area that is tighter. It increases the intensity and over time you will end up with more protests because there will be concerns about the intensity of harvest. You will end up with more protests because there will still be people out there who do not want to change the process.

We should have taken the opportunity that existed with Gunns getting out of the industry to say, let us take advantage of that, let us reduce the intensity of harvests, let us extend the rotations, let us get a higher quality product - which you will get out of a longer rotation product - let us utilise those high-quality, high-value markets and make the best of an industry and take advantage of the fact that Gunns got out and build an industry based on Tasmanian businesses like McKays and Britton Timbers that are into those premium timbers. I think there is an opportunity there to provide a quality future for the industry into the next hundred years.

Mrs TAYLOR - You expressed pretty clearly some of the fears that have been expressed to us by other witnesses. There is a federal election. If you were elected to government then would you support or would you not support the current World Heritage nomination.

Senator COLBECK - We are already on the public record in respect of this. Before Tony Burke made his announcement about the World Heritage listing a couple of weeks ago I warned him that if you did not want the risk of a World Heritage nomination being withdrawn he should not make it in the first place. The Coalition has been saying for over a year, in at least five or six press releases that I put out, that we would not recognise any lock-ups out of this process. I said, after Tony Burke made his World Heritage nomination announcement last week, that I would write to the World Heritage Commission asking them not to consider the listing at this year's conference. I do not believe it is a minor boundary adjustment. I think he is flouting the rules of the process by classifying it as a minor boundary adjustment. It is a 12 per cent increase in the World Heritage area; it is not minor.

The public consultation processes are there for a reason. The community has not had the opportunity to have input into this process. I think Tony Burke was going to do this pretty much all along, regardless of some of the other comments that were being made outside, but he has made it so I am currently drafting a letter to the World Heritage Commission asking them not to consider it at this year's hearings. Having said that we will not recognise any lock-ups there is a distinct possibility we will withdraw it.

Mrs TAYLOR - One of the issues for us, for you and for everybody is that the industry is restructuring. It has had a downturn and all that sort of stuff so there are people looking for exit packages and contractors needing compensation and so forth. We are told that current federal funding to those things is dependent on us. Would your government, if you came into government, still assist the industry to restructure and grant compensation for the affected people?

Senator COLBECK - If you look at my policy from the last federal election, you will see in there a clause that says that the industry needs restructuring regardless of this process. The reason it needed restructuring is this pink bit. I recognised that over three years ago. It was obvious it was coming down the track; everybody knew that. People at Circular

Head, for example, were talking about the fact that there was not room for Gunns and for Brittons at Circular Head because the timber supply was not there, basically because the plantation estate wasn't any good for sawlogs.

Ms FORREST - FT said there is a wall of wood coming.

Senator COLBECK - You can take that up with FT. I know a lot of people in the industry, not necessarily sawmillers, were quite aghast when they actually started to understand what this graph meant. There were a lot of people who didn't understand, because they weren't looking closely. They were just running their businesses and getting on with the job but they didn't understand what this graph meant.

We started the process of putting money on the table at the last election when we put up \$20 million to assist with forest contractors. So we recognised that issue at that point in time. The really unfortunate thing is that this process has actually exacerbated the problem and caused other people to be in further problems. Someone is going to have to deal with that. We will certainly be looking at that once we come towards the election. I suppose it depends on how far the current state and federal governments have got with their process by the time we get to the next election, and that could be sooner rather than the announced date. I think that is a latest date rather than an actual date, perhaps.

We are certainly cognisant of the issues within the industry. Regardless of what the policy says, there are people within industry who potentially have claims for what has been done to them through this process at the invitation of government.

Mrs TAYLOR - We keep being told our fine sawlogs are not in trouble, that there's a market for those, and that's good. Rather, it is the residue, not only residue from sawmilling but also on the forest floor. So we have to do something eventually about R&D for other processes. All kinds of suggestions have been made - biomass being one. At the moment biomass is not an answer because it is not going to get carbon or green credits. Would a future coalition government fund downstream-processing R&D and maybe seed funding so that we can produce for the domestic market rather than rely on overseas markets?

Senator COLBECK - In respect of biomass we are already on the public record to say that we will reverse the current regulations around native forest biomass. That is part of a deal that the current government did with the Greens when they signed up to get the carbon tax done, and that is another deliberate attempt to take away revenue stream from industry. That is all about drying up another revenue stream so that financial pressure can be placed on the rest of the industry. That is the fundamental basis for that. So we will remove that and we are already on public record in respect to that.

Again, at the last election I had a significant amount of money around R&D for timber engineering development. I had conversations with Greg Nolan of the University of Tasmania who is doing some fantastic work around timber engineering design and utilisation of timber products. If you are interested in having a chat with him, I can only recommend what you are doing. They are at the leading edge of computer-aided design and timber design, globally working with a company out of Hong Kong. I had a chat with him a couple of weeks ago.

That is what we are all about, but there are a range of other products that can come out of those residues. I have had conversations with companies from Canada recently about products for high-value, cellulose-based products for biofuels, for biochemicals, for replacement of oil-based products. There is very exciting growth in research around those sorts of things. We need to be involved in that -

Mrs TAYLOR - It needs funding, though.

Senator COLBECK - and that certainly is part of the policy consideration I am dealing with right now in respect of what we want, not just in Tasmania but nationally. If you look at the biomass situation, we should already have biomass plants running in the state. In fact Ta Ann were promised one when they set up at Southwood. They were promised a biomass plant and they are now paying \$1 million a year for access to energy that they should not have to pay, which is one of the promises that has been broken to them since they have been here. Those are all things that need to be considered as part of this process and they provide opportunities, not just for the native forest sector but also for some of the plantation estate that we have in Tasmania. They are very important elements of future policy around forestry more broadly.

CHAIR - I want to build on those matters raised with Adriana. You have just mentioned Ta Ann and the agreements they have and they are in the space of having a contract for availability of 265 000 cubic metres. If this agreement succeeds they won't get that. They have indicated that they can live with about 160 000 and source whatever else from somewhere else. What would be a federal coalition's position if in government as to some compensation for those lost opportunities?

Senator COLBECK - That is a good question. Again, this will depend on where we are by the time we get to an election. My perception is that Ta Ann have already done a side deal with the current government around their wood supply and are probably looking to get some sort of deal outside of this process in relation to the reduction in their wood supply. That is my perception and I haven't had that confirmed.

The unfortunate thing for Ta Ann is that their wood supply arrangements were based again on this whole graph and if you read through the wood supply projections I have to say I would be doubtful that they are going to get 160 000-odd cubic metres. They certainly won't get it if there are any lock-ups. In my view, there is no long-term sustainability for 137 000 cubic metres and 166 000 cubic metres of peelers if there's any lock-ups. It's not there in the long term. As I said to you earlier, basically you're signing a death warrant for the industry and just post-dating it until probably 2030. That's what you're doing if you pass this piece of legislation.

I think that Ta Ann probably is owed some form of compensation. I'm not sure it is a federal government responsibility because, quite frankly, the promises were made to them by the Tasmanian government, but we understand the financial constraints around both FT and the Tasmanian government and if someone comes to us to look at it we will certainly consider it. I can't say it any more definitively than that because I don't know what might happen but it's the same as my response to Adriana in respect of what is happening with the smaller sawmillers. Those people are very important to the future of many of our regional communities and they are the basis of a high-quality, long-term, high-value industry here in Tasmania so we need to make sure they have a future.

CHAIR - Thank you. You mentioned also earlier, Richard, that in the lead-up to the last election you had identified significant R&D opportunities that the coalition would make available in terms of funding. Again, if I look at this graph of the wood supply and if we go to around about 150 000 cubic metres, the contention there would be that to supply that into the long-term future you don't need plantations particularly, if we draw the line at about 150 000.

Senator COLBECK - That's right.

CHAIR - A significant component of that in the emerging years is thinned regrowth. It has only just occurred to me - I have had these conversations with foresters in the past but I have never raised this in this committee - that that significant component in about 10 or 15 years leads me to this point about R&D and renewing our industry if you were in government. It has been suggested to me that there is a plan B and that would be more intensively managed native forests. FT has indicated one component there, thinned regrowth, and that is just one component of managing regrowth, but if that was ramped up even further to more intensively managed regrowth to get the best possible outcomes, that seems to me to be a possibility of a plan B. Do you have a position on that, either personally or from a coalition point of view?

Senator COLBECK - I find it a bit amusing that there is this conversation around no plan B and that there is no alternative to this process because quite frankly there is and as I said to you earlier, it is about taking advantage of the fact that Gunns got out of the industry and utilising the additional space they had. I wouldn't put it in terms of increased intensity of management; you continue to manage but you reduce your intensity of harvest, you extend your rotations. Rather than say a 60 or 70-year rotation you can go to a 80, 90 or 100-year rotation. You increase your rotations. An older tree will provide more high quality product, there is no question about that. You are not going to get those high-quality products out of plantations.

I am a carpenter; that is my trade and I have been working with timber since I was a teenager. I know what it is like to work with blackwood, Huon pine, myrtle, celery-top and sassafras. I am lucky to have had the opportunity to do that. I understand the differences between all of those products and what they can bring. The older-grown timber is the stuff that gives you the higher quality; I have seen the changes in that through my career as a carpenter. As we go into smaller logs the quality is different, it reduces. This is why I am talking about having a vision for what we produce in this state. If you reduce the intensity of harvest and extend the rotations it will give you a better environmental outcome, a better landscape outcome and you can change the mosaic of your harvest. You can achieve all of the values that people are aspiring to but you don't have to lock it all up. There is an alternative.

Those higher values will give you a better community result. They will give better returns for the state, better results for the community and the environmental outcome is positive for everybody. There is a better community outcome as well. There is an alternative and I don't believe anyone who says there isn't. There is definitely an alternative to this and it provides the values we would like to see or I would like to see for my state. It provides a future for the industry. It provides a better environmental

outcome. The higher returns provide better business, community and economic outcomes for this state.

All those things can be achieved but we don't have to lock it up. We take advantage of the fact that Gunns have got out of the industry. That is a game-changer; that changes the pressure that existed from this pink bit. They have gone. I think it was probably part of their motivation; they knew that was coming. What they have done is basically trade the rest of it as part of their deal with the environment groups for peace and tranquillity around the pulp mill.

The problem with that is that all the rationale for the commencement of this deal doesn't exist any more. It was about peace and quiet in the European markets of Gunns for their customers over there. They didn't want the green groups protesting over there. They knew they would continue to bark over here. I have met with them and spoken to their proposed partners. They wanted peace and quiet in their European markets. They knew it wasn't going to happen here. If it happened there that was okay, because that is part of the market campaign being run here in Australia, the Harvey Norman stuff where you see people jumping off buildings with banners. It is all part of a coordinated process across all the environment groups to get at the purchasing officers of these businesses when the boss rings down and says, 'Who's that jumping off the building? Why are they doing it? Make them go away.'

Ms FORREST - Richard, you are well aware of the attacks in the Japanese market and you say the imperative for this has now gone because Gunns have exited and the pulp mill is unlikely to occur - there are mixed views about that - but surely there is a real imperative from Ta Ann's point of view here?

Senator COLBECK - I agree, but the problem with that argument is, and they do have a problem, is that this process we are currently talking about has been the weapon that was used against Ta Ann in their European, UK and Japanese markets. First they were accused of logging in conservation zones. They weren't; they don't log anything. They receive their timber from somebody else who does the harvest. They are a timber receiving business. They take what they are given to produce a product.

The environment groups went to Japan and said, 'They're receiving wood out of this 572 000 hectares being considered for conservation and lock-up', and the customer has quite rightly said, 'Hang on a minute, if it's going to be locked up and conserved, we don't want that', so this process became the weapon to use against Ta Ann - and we walked right into it!

Ms FORREST - But they are not getting the timber out of those areas now.

Senator COLBECK - But that doesn't matter. Do they know that over there? They don't know that over there. They get representations from Markets for Change.

Ms FORREST - They do now because Vica Bayley and those went over and told them that.

Senator COLBECK - But when Bob Brown goes back as CEO of Markets for Change, whose ambition is to end all native forest logging in Australia, who are they going to

listen to? Vica Bayley or Bob Brown and Peg Putt? Who will they listen to? This won't end.

Ms FORREST - You said the imperative has gone. I am challenging you on that point. You say the imperative has gone.

Senator COLBECK - The original imperative for the deal has gone. This imperative was created by the process. The issue you are talking about was created by this process, by the fact that there was 572 000 [hectares] the environmental groups had claimed for lock-up and then they were accused of taking timber out of areas that were proposed for lock-up. That's what the accusation was. That's why the company in the UK said they don't want it in their basketball stadium or volleyball stadium or whatever it was, and the same thing with the Japanese. They are being accused of taking timber out of an area slated for lock-up. That was the basis of what happened through the process.

Ms FORREST - Those takes were happening before this process for Ta Ann as well.

Senator COLBECK - No, they weren't. Not in that context. They came afterwards. Quite clearly.

CHAIR - You have probably answered my questions regarding that new drive for the industry.

Senator COLBECK - It's about aligning the forest industry with quality and the Tasmanian perception. Tasmania is about uniqueness, it's about a quality product, it's about high value. Here in Tasmania we have to be targeting not commodity markets but niche, unique, high-value markets. We have the disadvantage of Bass Strait. You would all be aware of the conversation that's going on around the cost of shipping at the moment. It's one of the functions of living on an island that you have to deal with that barrier but it's one of the advantages. If we are going to concentrate into a commodity market, operating at a global level, that puts us at an immediate disadvantage. If we utilise our residue streams for things like higher-value products, like high-value cellulose products, through cross-cellulose coatings which have been developed in Canada at the moment,

Mr VALENTINE - Nanocrystalline technologies.

Senator COLBECK - You have heard about it. I have been invited to Canada to have a look at that in April. That's looking a bit dubious at the moment given the current political circumstances. I have accepted at this stage to go and look at it because I see it as an important element in the potential development of the industry.

Mr VALENTINE - Twenty billion dollars, isn't it, by 2020 they reckon. Two hundred billion -

Senator COLBECK - There is a whole range of things. I have already had representations from high-value chemical companies from Italy and from Europe who are looking for biomass resources to be able to utilise that. The residues that are available in our industry here can go to those sorts of products. That makes sense because that adds to the solid timber products, the veneer products and the high-quality furniture and craft

products that we already produce at that higher end where you are getting a really high conversion rate of timber into end product.

Ms FORREST - You could also use the plantation for that, couldn't you?

Senator COLBECK - You can use all of the resource for that, Ruth. You can. That's about also having a critical mass for the industry. You need that critical mass for the industry. I have mentioned to you that before. If you lock this up and you look at the 100-year wood supply projections you are down to about 80 000 or 90 000 cubic metres of saw log. You are struggling to have an industry that has a base and a volume and it's going to put you out the back door. As I said, you are just slowly strangling the industry to death. That's without locking anything up and it's something like a 30 or 40 per cent headroom.

Mr VALENTINE - Through you, Chair, it's \$600 billion by 2020. But isn't that the opportunity that is there now with this bill and the R&D money that has been put aside to investigate some of those things that you talk about to get that stuff happening here in Tasmania, as opposed to this bill not going ahead, the intensity of all of the protests increasing and just frustrating the whole exercise? At least it's reducing the intensity of the heap of protests that are going on. It gives us an opportunity to do more R&D, it helps pay out people in the industry who want to exit. Isn't that all positive? It achieves a lot of what you're talking about.

Senator COLBECK - It does if you accept the protests are going to go away anyway, and I don't. I think there is plenty of evidence -

Mr VALENTINE - I don't think they will entirely either.

Senator COLBECK - I don't accept that at all. I have told you about their objectives - they have 170 000 hectares and their objective is 806 000 hectares - and they are already writing to the World Heritage Commission about that. Any perception that anybody is going away and the protests are going to stop, I discount that. You are also assuming the R&D money and the opportunities around R&D won't be there, and I don't think that's the case. I have already said we have been looking at that. We put money on the table at the last election around that for forestry, not just here in Tasmania but nationally. That's very important.

Mr VALENTINE - Isn't that going to take longer to work out? This is here now, the level of agreement that is across the board with industry sitting across from us giving us messages to pass this bill. Environment Tasmania and all those environment groups that are significant players are telling us to sign this off so we can achieve some of the things you are talking about.

A guy sat with me and talked about his seven tractors, two log skidders and three Mack trucks sitting outside his house and he has no quota. It has cost him \$2 million so far. How much pain? If we don't pass this, we have to wait for an election to bring into play what you are talking about. It puts it further and further out and the industry crumbles even further, doesn't it?

Senator COLBECK - That's an assessment you are going to have to make. I don't agree that the two things are mutually exclusive. Yes, there is some pain out there and it has to be

dealt with. Those who have pushed this process, those who have bullied people back into the process when they have walked away - and that has happened; I have seen it happening - have to take some responsibility for what they've done as part of this process.

Mr VALENTINE - So you'd have packages that might be suitable for these sorts of people?

Senator COLBECK - All those things are going to have to be considered. There are businesses in a financial position because of this process. Ta Ann is in the position it is because of this process. A number of other businesses that haven't been named, and I don't need to name now, and you probably know as well as I do, are in the position they are in because of this process. It has been a government-sponsored process even though government has said, 'We are not part of the negotiations'. At the end of the day, the forests don't belong to the forest industry to give away and they don't belong to the environmental movement to claim. They are an asset of the entire state and that's why I said at the outset that there are so many more people who have a stake in this, and they weren't part of the negotiations. The forest industry [representatives] have said to me, as I am sure they have said to you quite clearly, they were negotiating on their own behalf, on behalf of the forest industry and nobody else. That is a clear consideration that needs to be taken into account as part of this whole process.

Ms RATTRAY - They said 'we were here for the community', not them.

Senator COLBECK - I suppose that's where your role comes in. As a chamber of the Tasmanian parliament you are at least talking to people about the rest of the process and giving them an opportunity to have a say because other than what you're doing, nobody else has given them that chance. That's what makes this whole process so important. It is not just about forestry, it is about the broader Tasmanian community and economy. The thing that concerns me most is, if we move down the plantation route, what it does to agriculture in the state, which is probably one of our key resource industries moving into the future.

The concept of losing 20 per cent of our agricultural land to plantations, I don't see that happening anywhere, can you? We currently have somewhere between 3 per cent and 5 per cent of our agricultural land in plantations through the MIS process that occurred over the period that MIS was active. Can you image what it would be like if it was 20 per cent? Are the environmental groups or the Greens going to sit around and allow that to happen without protest?

Mr VALENTINE - Isn't it possible that some of those areas that are now in plantations - full of that what we might consider the 'pink wood' here - are reclaimable for agriculture, if indeed the MIS stuff isn't able to be used?

Senator COLBECK - I agree. There are projections that up to 50 per cent might not go back in. What does that do to the discussion around the plantation estate and the requirement to grow a plantation estate to - so there is the conflict. If you are going to move out of the native forest industry and into a plantation estate that at its full extent is to supply 150 000 cubic metres, which is what the projection is, to supply 150 000 cubic metres of high-quality sawlog will require 130 000 hectares of land. You are not going to convert any more forests and you don't want to convert any more to forest plantations.

That was one of the mistakes I think we made in the past, and is part of the reason we have some of the problems we have.

Mr VALENTINE - Do you think we have a problem with the definition? People talk about native forests but what we are talking about in all this is regenerated forest over a long period. Once it is milled and they have taken the bulk of an area out and then it is allowed to regenerate, you are still going to get those quality logs if you have a long enough rotation - is that what you are saying?

Senator COLBECK - That's right, absolutely.

Mr VALENTINE - We are not talking about, necessarily, harvesting pristine, untouched native forests, we are talking about putting into this mix areas that are long-term rotation.

Senator COLBECK - I agree.

Mr VALENTINE - So maybe we should use the term 'regenerated forest' rather than 'native' because it confuses the market, to be honest, and I think you were saying in Japan, 'native' means 'pristine'.

Senator COLBECK - I thank you for making the point but you actually contribute to my argument. We are locking up some of those areas in World Heritage lock-ups right now. They are within the 170 000 hectares that Tony Burke has listed.

Mr VALENTINE - I understand what you are saying.

Senator COLBECK - There is the contradiction, and there are significant areas of that within the remaining areas of the 572 000, and you are right. Not only that, those areas have, because of our quality of management, high-conservation values. That is attributed to the way that we manage our forests. You have probably all seen this, but this probably says it best -

[To be confirmed.] Much of this walk is not wilderness, it is logged areas, it has great potential, some people say it has been too trashed but I think it has great potential to recover quickly. In springtime there are waratahs, massive flower displays, masses of bird life, devils, quolls and wombats

Senator Bob Brown, April 22, 2012.

They are areas that are proposed for lock-up under this process and they are the areas that I am talking about that can be very well utilised for this high-quality long-term rotation. I agree with you that the definitions are part of the problem. Environmental groups claim 40-year-old regrowth as old growth, so definitions do not necessarily mean much. I have had that put to me directly. A 40-year-old regrowth is an old-growth forest. I have had that put to me directly by representatives of the environment movement. They have their own definitions that don't necessarily align with anybody else's but at the end of the day there is an opportunity to do something for the long term to ensure that we do have the values of a high-quality native forest - or regrowth forest industry, whatever you like - and sometimes it is going to be very old regrowth because for the special species

area, it is about long-lived older timbers. Some of those things you need 200 years old so that has to be the rotation period.

Mr VALENTINE - Or more.

Senator COLBECK - Or more.

Mr VALENTINE - Celery-top for boat-building material is 400 years old.

Senator COLBECK - That is the way that we need to manage these things, they need to be managed appropriately. But once something gets 400 years old, what are you going to call that?

Ms RATTRAY - Very old.

Laughter.

Mr WILKINSON - Thanks Richard, that was interesting.

From what has been put to us we are left, I think, with several options, and one is: we do nothing - and I hear what you say in relation to that. The next is: at the other end of the spectrum we pass the agreement, which is 137 000 cubic metres of sawlog which equates to being able to lock up 500 000. If we go to the original IGA, 155 000 cubic metres, which means forestry say we can still lock up 400 000 hectares. Or do we go to where we were when Gunns pulled out of the market and said, 'There is 163 000 cubic metres which would lock up around about 300 000 hectares' - they are the broad figures that we have at the moment - or we do nothing so they are the options.

Senator COLBECK - I object to the context of 'do nothing' because it is not do nothing. You are going to have to change the way the industry operates in Tasmania. It has changed and it will continue to change. You have to deal with the here and now and where we are at. You have to do that, it is not a do nothing option, quite frankly. But if you lock up a significant area you are going to be back here in 10 years time. If you lock it up you will be back here in 10 years time because you will constrain the industry.

If you look at the projections of the timber that is going to be available, if you harvest at 137 000 cubic metres per year, you will be out of timber effectively by 2030, if it lasts that long. So you will be back here within 10 years because there will be another cliff coming.

Do we want to do this all over again, which we will? The projections are \$500 million to put the plantations in at a rate of 4 500 to 4 800 hectares per year to create a plantation resource. There is nothing in any of the agreements that I have seen to deal with that. Where is that money coming from? That is half a billion dollars to generate that resource. That does not exist.

So there has to be a restructure of the industry. We said that back in 2010. That was part of the process because of the pig pit, to use a technical term - because of that.

It is not do nothing, but locking up huge tracts of this state, taking it to 52 per cent of the state locked up, is not sustainable or viable. Those locked-up areas will be used as weapons against other industries to prevent their development, there is absolutely no doubt in my mind about it, in exactly the same way that this process has been used as a weapon against some of the players in the state right now in the forestry industry.

Mr WILKINSON - If we say we do not agree with the agreement, where do you see the industry, say, in three months' time, a year's time and in five years' time?

Senator COLBECK - I suppose the fortunate thing for the industry at this point in time is that there is a possibility of a change of government within this current 12 months and a change of policy at a federal level, which will release some pressures. We will deal with the biomass problem which will allow for the development of biomass plants within Tasmania and nationally.

Mr WILKINSON - So that means we will not have to worry about the chips.

Senator COLBECK - That takes away the pressure point of the chips. There needs to be something done around the capacity to get other residue products off the island. You have already seen a secondary impact of that in the complete tragedy of Ike Kelly's site down at Dunalley. He had thousands of tonnes of residue at his sawmill site and it was a like a bomb sitting there and had the effect when the fire went through.

We need a change of policy. It is directly an arrangement between the Greens and the current government at a federal level to take away those options for residue and we have to change that. We will do that and we will do it quickly. Once we have dealt with that - because it is absolutely imperative that all that comes out of our logs has a revenue stream - we have to open it back up again.

The other thing that we will have is a government that will be proactive in supporting the industry instead of being silent. I have not heard one single word out of Joe Ludwig in our global markets or even in our local markets in support of the industry or, for that matter, from his parliamentary secretary who is a Tasmanian - not a word in support of this industry. That, I can tell you, in global markets is vital. State ministers, state premiers can go out and do their trade negotiations but when the national government says, 'This is what is going on', that is where you get some room for action, and you will have that.

So regardless of what happens in the here and now, there is still going to be some pain around this process. Tony Burke has made his World Heritage listing. As I understand it part of the deal was releasing funds to deal with some of the sawmill issues here and now, so I will be interested to know whether he starts spending that money to deal with some of the current issues for sawmillers, because as I understand it that was part of the deal.

Ms FORREST - Specialty timbers, I think you will find. Starting the work on the speciality timbers; that is what we were told.

Senator COLBECK - That is part of it but my understanding is that it might be a bit more than that. If you can get that information I would be more than happy to get a better

understanding of it, but my understanding and my conversations indicate that there is some assistance to be made available immediately for some of the sawmillers who have severe problems because of their lack of capacity to get rid of residues. A lot of where we end up -

Mrs TAYLOR - Transport, I think.

Senator COLBECK - No, it is not just that.

Ms FORREST - The transport money is state money.

Senator COLBECK - A lot of where we end up is going to depend a bit on what happens between now and when we get to the time for developing policy. I am sorry I cannot be more definitive but I have no control over what happens in those circumstances. That is what I know and understand to be the case right now. The current federal government has some plans afoot. As those unwrap that will influence where we will go with our final policy. If they have spent money then we will consider that as part of that process.

Mr WILKINSON - Sometimes the best deals are the deals which were never done. Is that your answer for what the upper House should be doing in relation to this bill?

Senator COLBECK - I do not think you should pass this bill. I said that quite unequivocally in the letter I wrote to you while you were debating it. That is the thrust of my submission to the Council but it is also my view much more broadly, as I said, because it is not just about forestry. I know that that is what everybody is focusing on. This is about much much more than forestry. That is the consideration. Unfortunately that is the thing that gets lost in much of the broader community comment around this issue.

You would hear comment from Western Australian premiers about the pressure that is put on us around our contribution to the national economy, our contribution to our own wellbeing. It is all part of that discussion and quite frankly we ought to be sensibly, responsibly, sustainably, environmentally looking after and managing our resources. Just locking them up, I have to say, is last century's thinking. The Regional Forest Agreement set in place a comprehensive, adequate and representative reserve system. The science around what types of forest, what types of areas and how much of them was all done during that RFA process. The environmental groups were in there until five minutes to twelve. Then, because they could not get everything they wanted they walked away, like they have nine other times.

Mr VALENTINE - But not this time.

Senator COLBECK - No, not this time, but it does not mean that what they have been doing in protests and continuing to agitate is going to stop because we know what their aspirations are.

Mr VALENTINE - It will just be less intense, I think.

Senator COLBECK - They might be a little bit different but I do not believe that they are uncoordinated or unlinked. It was very apparent to me during the process of negotiating this that there was a group of negotiators, so you had direct negotiators up front and they

were talking to the forest industry representatives. There was another group that was coordinating the market campaigns, the local protests, all that sort of stuff. There was a group that was backgrounding the media. Every time I spoke to a journalist you could tell whom they had been talking to. You knew where the information was coming from, particularly some journalists. You knew where their information was being provided from. It was obvious. There is nothing wrong with that; it is just what was happening. This has been a very well managed, coordinated campaign. You have got to give the environmental groups credit for it.

Mr VALENTINE - But they are divided.

Senator COLBECK - I am not sure that they are as divided as they would like us to think. You only need to look at the linkages. You will have someone in here from GetUp! this afternoon, who was one of the key negotiators.

Dr GOODWIN - Richard, it seems pretty clear to me that regardless of whether or not this bill is passed, the market disruption will continue. You talked about Bob Brown having a certain status internationally and we have both Bob Brown and Peg Putt involved in Markets for Change. We had Jenny Weber yesterday from the Huon Valley Environment Centre who basically said, 'We want to see the end of all native forest logging in Tasmania and we won't stop until that occurs'. In addition to the market disruption we have a workplace disruption issue as well, so what do you see as a way to address those two issues of market disruption and workplace disruption?

Senator COLBECK - For market disruption I think there needs to be some legislative changes at a national level around some of the privileges that environmental groups currently have under certain pieces of legislation that were put there, probably for good reason, in the 1990s but are now being abused, so there needs to be some changes around there. There are some exemptions, for example, for secondary boycott-type activities under the consumer and competition act.

The workplace stuff effectively is a state responsibility and issue. I have heard discussion around the possibility of doing something on workplace invasion. I would support that. It provides a danger not only to the people who are involved in the protest but also the workers. In a couple of circumstances that I have seen over the last two years or so, some people were very lucky that they haven't been badly injured.

In one circumstance up in Launceston where they were climbing on a conveyer in a position that was out of the visibility of the operator, had it not been for someone else who saw what was going on, if they were caught up in the conveyer it could have been very nasty. The owner of the worksite would have borne the responsibility for that.

For people who are making those wilful interventions in workplaces, there needs to be something that looks after the owners of the sites. Sure, they have a responsibility around their security and their workplace safety, that is a given and is important, but when someone wilfully comes onto a site with an objective to obstruct or to disrupt, I do not see why they should be immune.

Dr GOODWIN - In your shadow ministerial role you would be aware of what is happening around Australia in the industry. I am particularly interested to know what you have

seen happening in terms of other states perhaps benefiting from the uncertainty in our forest industry, in terms of picking up our markets and whether other states have been unlocking some of their reserved areas. Are you aware of what has been happening in that space?

Senator COLBECK - Yes. That is a good question. I was in Victoria for the Victorian Forest Industries dinner just before Christmas. They are reopening some areas to forestry. It is only a small area, about 600 hectares up in the north-west of Victoria. Obviously that is causing some comment, but the Victorian industry and the industry on the south coast of New South Wales certainly has picked up market share in Tasmania in respect of woodchips. In Queensland they are reopening some areas to harvesting that had previously been closed. There is a move in other states to reopen areas to sustain their industries.

I think it is important to acknowledge that we have globally accepted very good forestry management practices here. Even Bob Brown in a perverse way has demonstrated that with his statement about this coupe that was clear-felled and burned in 1963. If you had listened to him in parliament the number of times I've heard it, that forest was destroyed. Yet now it qualifies for high conservation values. We need to recognise that. In certain areas around the country they are looking to reopen areas so that they can sensibly, sustainably and environmentally utilise their natural resources.

Dr GOODWIN - In your submission you talk about projected upswing in demand for timber, so it is quite possible that they are positioning themselves for the future in terms of benefiting from that projected upswing in demand. Do you want to elaborate on some of those examples you have mentioned in here, for example, the London architect who talks about the 21st century being about engineered timber and those sorts of matters?

Senator COLBECK - You are right, Vanessa, in the context that I think that this next century, as I say in my submission and the architect has said, is the century of timber. We are talking about a carbon-constrained economy. This desk is a carbon store. For as long as this desk lives, the carbon stored within it is locked up. I was fortunate enough to visit the tallest all-timber residential building in the world in Melbourne recently. It is a 10-storey building made of cross-laminated timber, all made out of softwood and, unfortunately, all imported from Europe because we don't have any manufacturing here in Australia. There is an opportunity; in fact, our hardwoods could be the next generation, the next extension, in the engineering design of that product because it does have better engineering qualities than softwood but it's all imported from Europe. Talking to the company building it they're looking to have three plants on the east coast of Australia within five years.

Even in terms of the way we are communicating more broadly with the community we are talking about the values that timber bring and the fact that it can store carbon. I think the timber industry had the march stolen on them by the concrete and steel industries around environmental construction of houses because at the outset was all about mass. It was about building mass into your solar home to store heat and create a stable atmosphere and environment.

The work that has been done, including at the University of Tasmania, I might add, around the design of carbon-efficient houses is really quite good. There were a number

of modules I saw in Launceston at the campus up there when I was there a couple of weeks ago with enormous opportunities. We are in a downswing at the moment in the national housing market and we all understand that but the dollar is actually one of the things that is putting our broader industry, as it is with the rest of our economy, in a tough place.

There are huge opportunities for timber, in my view, and they are all part of that equation I was talking about before. I should have brought a copy of the latest timber design awards book. We're in a position where we can provide some of the really unique products that aren't available anywhere else. If we close down our native forest industry we're going to be importing stuff from Indonesia and Malaysia and then there'll be more pictures of orangutans on our TVs because it's coming from orangutan habitat rather than from very well-managed places like our forests here in Tasmania. There are huge opportunities.

Dr GOODWIN - I have one final question on special timbers because you mentioned working with some special timbers and it was described - either this morning or yesterday - as a flagship industry for Tasmania. There have been some significant concerns raised about the future of the special timbers industry if this agreement proceeds and whether there is going to be adequate supply as a result of these proposed lock-ups. I am just wondering if you can talk about your concerns around that industry or what you know to be the situation with that?

Senator COLBECK - Looking through the supply projections there remains doubt around the availability of specialist timbers. It's one of the real question marks in the whole process. If you look at the supply projections there is difficulty all through that process dealing with that but if we lock up what is proposed I think you're basically kissing it all goodbye. That is one of the real tragedies of this process because it is the high-end conversion where you take \$4 000 or \$5 000 worth of a special species and turn it into something worth \$200 000.

I have seen examples of that, touched it and spoken to the people who have done the work. Look at our high-quality design and furniture industry. The School of Fine Furniture originated in Launceston and is now part of the University of Tasmania. It is those special timbers that went into those products. Go to the Design Centre in Launceston. They are the basis for those leading-edge design things that are part of that. What happens to those?

The wooden boatbuilding industry is worth \$70 million a year to this state and if we don't have those special timbers, what does it revert to? It effectively reverts to a plywood-based industry and where is the uniqueness for Tasmania out of that? You actually destroy the value in that section of the economy and that industry. Walk through Salamanca and look at all of the crafts. Salamanca is one of our key tourism icons. If you take out the special species out of Salamanca, it is part of what Tasmania is known for, part of what Tasmania is. As I said to you, I finished my paper round, bought a wood lathe and was making bowls, rolling pins, sugar bowls, that sort of stuff. That was my first entry into the private enterprise market and I bought all my own clothes and had financial independence. There are so many other people in the broader community that do that.

I just don't see how we can justify cutting off the supply for those particular products. I don't understand how we can do it but that's what will happen because those are the key forests that are part of the lock-up process. They are at the front end of this whole proposed lock-up.

Mr HALL - Just to recall from yesterday, we heard some evidence that if this deal was passed then domestically the ENGOs would make sure that because of the way that they sold the whole thing in the Australian marketplace then our native timbers would have a much bigger share of our domestic market - I'm not talking about export here - and in fact I think, somebody may correct me here, but there were some moves afoot to stop imported rainforest timbers coming in. I think it was from ACF, so the proposition they were putting to us was that by signing this agreement we would have a more secure industry for our native timbers, basically.

Ms FORREST - Domestic markets.

Mr HALL - As long as they met market price, social acceptability and a few other things as well.

Senator COLBECK - I don't know where they get that from. The only thing I could think of is that there is a piece of legislation passed last year around illegal logging and that was source of supply. I don't see that significantly diminishing product into the market here in Australia unless -

Mr HALL - Do you know what our import replacement is at the moment? What is the imbalance of trade? Have you any idea?

Senator COLBECK - We are net importers by something like \$2 billion a year. There is huge demand for hardwood timbers in the Australian market and we're importing timbers mostly from south-east Asia for window frames, door seals, all of those sorts of things for furniture. Even veneers we're importing in significant quantities because we can't get access to our own native forest-based timbers. Quite frankly, it's absurd. All we're doing is off-shoring our responsibilities, quite often to jurisdictions that don't have the level of forest management we do.

I don't see that bill significantly reducing imports or giving us a local advantage. It probably levels the playing field a little bit around the certification systems and due diligence that would be required to demonstrate the timbers are being legally harvested, but it's going to be very difficult for us to say something is illegally harvested when another country says it is. What's our right to say to another country, 'No, this isn't legally harvested'? I have had conversations with Malaysians and Indonesians in particular who are developing their own systems for certification of legality. That process is currently occurring and is occurring because -

Mr HALL - PEFC, I think.

Senator COLBECK - Well, PEFC is another system, a forest certification system - and they are going to have within their chain of custody a due-diligence element that talks about how you determine that piece of timber you are purchasing was legally sourced. The reality is, most of the timber that might be illegally sourced is not coming in in solid

timber. It's coming in highly modified form as MDF or particle board, flatpack kitchens. It could be coming in as reproduction furniture out of Vietnam.

Mr DEAN - Flooring comes in as well.

Senator COLBECK - I don't think it's so much those sorts of products, Ivan. I think it's more highly modified and highly manufactured products because it's much easier to source and do a trace on a single piece of timber such as flooring or a pack of flooring because you can track it much more easily. A piece of MDF might have inputs from 20 places when it goes into a chip pulp to be made into a board, and the traceability of that is very difficult. That is where the products are more likely to be coming into the country. We haven't decided yet nationally which products we are going to be monitoring and which ones we won't.

Mr HALL - Hypothetically, if we did not sign this agreement and forego whatever cash is left in compensation et cetera and the coalition becomes the main game in town, then you would look towards putting that quantum of money towards rebuilding the Tasmanian timber industry? Is that what you are saying to us?

Senator COLBECK - I'm not saying we are going to spend \$7 million a year for 15 years, which in my view is a complete pittance compared to what we are giving up. The resource we are forfeiting as part of this process goes nowhere near dealing with that, so I am not committing to that. What I want to see and what I do commit to is ensuring that Tasmania gets a reasonable stick but also that we do what we can as part of our broader policy to ensure we grow and sustain the forest industry. We need to put provisions in place so we are not sitting around this table every five or 10 years. That's the thing we have to do. Even if you pass this bill, you will be back because the supplies that are in the agreement alongside the lock-ups don't stack up to a long-term supply. They don't stack up to a 100-year supply, which is what we ought to be looking for.

Mr HALL - You said there is a huge impact on agriculture, which went to the matter of plantations on agricultural land. The other elephant in the room is the private forest estate, which is 26 per cent of native forest estate. Have you got a quick view on that?

Senator COLBECK - As I said to you a couple of times, the industry is about scale. If you reduce the scale, you impact on the other elements of the industry. It has a direct impact on the value of that forest estate. I think you have already had evidence from the TFGA that it significantly devalues that private forest estate. I don't know what messages you are getting from farmers at the moment but the last thing they need is a devaluation in their properties. There is a huge devaluation in the rural assets at the moment, and they are stressed enough right now - I am taking calls from dairy farmers and vegetable farmers who are very concerned about their overall viability, their debt-to-equity levels that have been damaged very badly over the last four or five years because of natural disaster, floods, fires. Then you have the economic impacts of the dollar, the extra costs imposed on them through things like the carbon tax by the current government.

All those things are adding up to stress their viability. If the banks find out they have to write down on their asset values, that places another unneeded stress on them and I don't see how you can justify doing that.

Mr DEAN - Just on the bill and you have made it fairly clear that we shouldn't be passing this bill and we should move on, have you considered the amendments that have been put forward to the bill or some of those amendments? Is there any way at all in which, in your view, this bill could go through? Or is it just beyond mention?

Senator COLBECK - I don't think it would be responsible to pass this piece of legislation because of the broader effects. This is a deal between the forest industry and the environment groups. The impact is spread so much more broadly. I don't see how you can amend it. If it results in a significant lock-up you are not going to have a long-term timber supply. The reports are really clear, lock up anything and you can't meet the resource requirements in the long term. It's a matter of amending it and deciding what the actual date of death is versus the date of signing. That's all it will do; it will vary the date when the resource isn't available for the industry or the industry is not sustainable anymore, that's the effect of this, by locking up more of the state.

Mr DEAN - There has been some discussion, of course, throughout our hearings of the fact it could be locked up now, but what can be locked up can be unlocked at a later stage, but I think the position of unlocking what is already locked up is absolutely remote and not likely to happen, so I don't know if you really want to comment on that at all?

Senator COLBECK - If you look at the situation around the World Heritage listing. We have said we don't support that and we are writing to the World Heritage Commission to say that they shouldn't consider it. We have said to Burke that if he doesn't want it withdrawn he shouldn't put it in in the first place. I already have a reaction to that. The concept of trying to change it is difficult. As I said in response to a question from Vanessa, there are areas that are being opened up in other states. It is possible, but if we make the decisions around our environmental protection sensibly then you don't need to be going backwards and forwards.

I go back to the comment that I made about the development of the Regional Forest Agreement, and the process under which that was developed was that the state was broken into bioregions. There was a comprehensive, adequate and representative reserve process that was considered as part of that. Those CAR principles are well understood and well known, working under the JANIS criteria to assess just that: to build a comprehensive, adequate and representative reserve system for this state. That science was done. We all understand that. That was done back in the nineties under the development of the RFA.

There were some additional reserves put in in 2004 as part of the Tasmanian Community Forest Agreement, but we shouldn't be having to go backwards in respect of either, quite frankly. We shouldn't have to be undoing those sorts of reserve systems. If we make this sort of decision we are putting people in a position of potentially having to do that. Again, I don't think locking up 52 per cent of this state is viable.

Mr DEAN - Thanks, Richard, there are other questions on carbon, but I will follow that up later, Chair, with Richard because I know we are out of time.

Mr VALENTINE - One question to finish with from my end. You mentioned 2030 as likely to be the dead end, if I can put it that way. Where is that coming from? Can you just tell us what report that is?

Senator COLBECK - It's in the Burgman-Robinson wood supply scenarios that were conducted through the West process as part of the IGA.

Mr DEAN - That 's part of your submission, I think, isn't it?

Senator COLBECK - No, it's not. There is a critique of some elements of the West report and -

Mr VALENTINE - Is that a critique or is that -

Senator COLBECK - No, the critique is in my submission, this is a separate document and it's on the local disk -

Mr VALENTINE - And it's part of the IVG?

Senator COLBECK - There are a number of scenarios in this document. I have looked at three or four different assessments of the wood supply. I try not to go to one place so I don't get accused of science-shopping, and they all line up pretty well. My general perception, just by looking at this -

Mr VALENTINE - What rate is that at, though?

Senator COLBECK - It varies on a number of principles. It depends on headroom, the amount of lock-up and harvest rates. You really need to read the scenarios - I think there are nine of them - but it is pretty graphic. You don't need to go much past the summary, which basically says if you lock anything up you can't meet the wood supply projections.

Mr VALENTINE - I think Forestry was telling us 300 000 hectares for 163 000 cubic metres - that goes against that.

Senator COLBECK - Well, I can only invite you to have a look at it.

Mr VALENTINE - I will, thanks.

Senator COLBECK - I have had a look at the Forestry stuff but it comes down to what I talked to you before, the intensity of harvest. If we're trying to provide a win-win out of this for all elements of the community, if you reduce the intensity of harvest you actually get an environmental benefit out of it. You get a community benefit because you are getting a high-quality product with a higher return, so you get a business return. By not locking these areas up you do get an environmental benefit out of that. It is not winner-take-all, it is not do-nothing, it is not one side versus the other, there are significant benefits across the board to the industry, the environment and the broader community through managing what is left of the resource and the industry in a sustainable way, and I think that is an important part of this whole equation.

CHAIR - Thank you. Richard, we are grateful for your presentation and for adjusting your time out of the Estimates process in Canberra to be here.

THE WITNESS WITHDREW.

DISCUSSION WITH Mr PAUL OOSTING, CAMPAIGN DIRECTOR, GETUP!

CHAIR - Welcome, Paul.

Mr OOSTING - Having grown up in north-west Tasmania, this has been a debate that I have obviously been aware of and been part of for a very large portion of my life. My initial exposure to forests was working in them, firstly as a beekeeper growing up in an industry that was a family business. I got to see some amazing places and also got to see the jobs that can be created through the apiary industry, which in the early 1990s was a very large export industry. Then I went to Don College and began working in the tourism industry as a bush-walking guide taking people into the Overland Track. Subsequently, after having studied science and planning at UTAS, I become more aware of the debate surrounding the forest industry itself and particularly the pulp mill proposal, something that I worked on whilst with the Wilderness Society.

This is an issue I am personally very passionate about and have had some exposure to over the years in various ways, from our family business of beekeeping through to tourism and subsequently advocating for the protection of forests. I want to strike a balance because I strongly believe that for Tasmania to have a healthy and strong economy and to create more jobs based around Tasmania's unique values we need to adequately manage our environmental aspects.

GetUp! is a large national movement representing over 600 000 Australians. In Tasmania we have around 22 000 members. We have been active on the Tasmanian forestry issue for a number of years, beginning with the assessment process around the Gunns pulp mill proposal and then more recently in relation to timber markets, specifically the retailing of timber products in the Australian market place and plans. We campaigned particularly around Harvey Norman and other retailers encouraging them to make a switch away from native forest wood that does not meet FSC certification criteria and towards sustainable timber products.

More recently our members have been active in encouraging reaching an agreement to protect the forests and passing the legislation that is before you. It has been the position of GetUp! members that the forest agreement represents the best way forward and that the agreement should be supported and is supported by a majority of our members. How do I know this? A few months ago we conducted a poll of GetUp! membership asking how they felt about the Tasmania Forest Agreement. Of the random sample of our members that the survey was sent to I can take you through the responses. In relation to the question of how you feel about the Tasmanian Forest Agreement, about 25 per cent of our members strongly support it, around 47 per cent say they support the agreement, 1.7 per cent of our members said that they opposed the agreement, eight members said they strongly opposed it, representing 0.7 per cent of the membership and around 27 per cent said that they were unsure about the agreement.

Following that we asked the question around our market campaigning work and raised the question that GetUp! members have lobbied Harvey Norman, Bunnings and other markets in the Tasmanian timber industry and what does the membership think we should do if the Tasmanian Forest Agreement was passed into law and Tasmania's high conservation-value forest was protected. The rest of the question was should we then encourage the support of the Tasmanian forest industry. We found with that question

that there was a very strong response from membership in support of the proposition of supporting the Tasmanian forest industry if the forest agreement is reached.

55.3 per cent of our membership said they would strongly support the Tasmanian forest industry if an agreement is reached, 36 per cent said they would support it, 1.2 per cent said they opposed that idea and 0.5 per cent said they strongly opposed it and then 6.9 per cent said they were unsure what they thought about that proposition.

In part I wanted to convey on behalf of what I believe is the view of our membership that we support the Tasmanian Forest Agreement. We think that it is the best way forward in terms of the environment, in terms of the view of the industry and the view of other industries like beekeeping but also many more. We will endeavour to do what we can to support the sustainability of the agreement going forward at this time in the Tasmanian parliament. I think at this point it might be better for me to hand over to you for questioning.

Mr HALL - Paul, it would seem that with your position with GetUp! that you were instrumental in the campaign against Bunnings when the peace talks collapsed in late October? Would you verify that?

Mr OOSTING - I am sorry, I am finding it a little bit hard to hear you.

Mr HALL - I said it would seem that with GetUp! you were instrumental in the campaign against Bunnings when the peace talks collapsed in late October. Is that so?

Mr OOSTING - Certainly that is not how I would represent the campaigning work we did in that period. Our members asked Bunnings whether they supported or opposed the agreement and certainly I was involved in that work. I wrote directly to, from memory, the CEO of Bunnings to clarify their position so, yes, I was certainly involved in that work.

Mr HALL - You did actively campaign against Bunnings. I put it to you further that it was Bunnings' support for the IGA that saw FIAT members agree to a lesser volume than the guaranteed 155 000 cubes.

Mr OOSTING - I think the proposition in your question generally is incorrect. We did not campaign against Bunnings, we campaigned as to what their position on the Tasmanian forests agreement was.

The information that came to light through that period was that it had been represented in the Tasmanian forestry negotiations of which it had become a part, that Bunnings did not support the forest agreement, which on the surface of it seemed unlikely to be the case, because increasingly the retailers of forest products are looking for certainty and greater levels of certification and confidence in where their timber products are coming from.

Our campaign was not against Bunnings. It was to ask them what their position on it was. Within a short space of us raising this issue publicly, because we thought it was an important point for them and an important point for them to consider, they clarified that they were supportive of the Tasmanian forest agreement process and were optimistic that an agreement would be reached.

Mr HALL - Yes, I hear what you are saying but is it not true that you did a fair bit of arm twisting? I have up on my iPad now where you ran online campaigns to pressure both Harvey Norman and Bunnings.

Mr OOSTING - Yes, we brought to light what had been raised in the forest negotiations and asked Bunnings to clarify what their position on that was.

Mr HALL - Okay, thanks, Paul.

Mr VALENTINE - I am interested, Paul, in the future of the forest industry and how you might see the long-term rotation of regeneration forest as opposed to native forest. I know both are native but we are talking about regenerated areas, not plantations. Do you see that a long-term rotation of regenerated areas is a way forward?

Mr OOSTING - Certainly my understanding of the forest agreement is that the areas outside of the high conservation value areas that are up for protection will remain open to ongoing harvesting on a rotational basis and this agreement supports that. From what I have seen from our membership they are also supportive of that being the future of the forest industry.

My hope would be that the forest industry would seek to have certified those forests that are to remain on rotation and open for logging and tender the ongoing management, and also that there are open mechanisms for those who have ongoing concerns or interest in that management have a mechanism to have input into this management. I, personally, believe the best process for the community to engage is the Forest Stewardship Council as it has built into its constitution and governance mechanisms for people to engage who are either interested or have concerns around forestry management.

Secondly, it has been shown financially that a premium is attracted for FSC certification so it would seem to make sense for the industry in terms of greater wealth from Tasmania's forest product. It has been our position that we support the FSC certification system and timber products derived from it. So in answer to your question, in a roundabout way, I would say that our membership would be comfortable in its support of timber products coming out of native forest regeneration programs.

Mr VALENTINE - Thank you.

CHAIR - Paul, previously in a briefing to the Legislative Council but not on the record for the purposes of this committee, you have suggested that you have 22 000 members in Tasmania. Can you remind us how the membership is generated? Is there a set fee structure to be a member of GetUp! or is it more the database of people who do business with you in one way or another?

Mr OOSTING - The latter is correct in that we do not charge a membership fee to become a member of GetUp!. People make their own decision as to what of our campaign they support so becoming a member of GetUp! is by supporting our campaign and becoming active through that mechanism.

CHAIR - How do you then track the fact that people have been involved in a campaign or supportive of a campaign of yours to identify the fact that you have 22 000 members in Tasmania?

Mr OOSTING - Sorry, I am not sure I understand the question.

CHAIR - You have indicated in your answer to my first question that you recognise your membership as those who support or are involved in your campaigns.

Mr OOSTING - That is correct.

CHAIR - How do you determine that? How do you come to the conclusion that people are supporting your campaigns? Do they enlist? Do they enrol online? Do they -

Mr OOSTING - Sorry, I see what you mean. Yes, there is a sign-up through online to become a member or they might participate in a campaign by donating or signing a petition, that sort of thing.

CHAIR - Okay, from that you clearly determine they are a member of GetUp! ?

Mr OOSTING - Correct.

CHAIR - Do you ever ask people whether they wish to be a member or whether they just simply have support for a particular campaign?

Mr OOSTING - Look, in many cases people do just choose to support one campaign on an ongoing basis, and when alternative - which is at the bottom of each of our emails where we describe what it means to be part of the GetUp! membership, and some people determine that they would, after taking a number of actions, they will only support one issue but they are happy to remain silent on others that they disagree with and other people would therefore rather not be on the GetUp! membership list, so it's on an individual basis, but we provide the information on becoming a GetUp! member.

CHAIR - With regard to the current legislation, if it passes into law, are there any other areas of concern that you have in regard to logging practices in Tasmania?

Mr OOSTING - The proposition that we have tested with our membership in relation to the existing forestry agreement and all that that entails. I think, clearly, despite the fact that our membership has indicated strong support for the agreement there will be some - and that is also picked up in the numbers I raised at the beginning who will have concerns, but the position I would say is very clear is that our membership strongly supports the agreement, by a vast majority really, and so our organisation's position is one to support the agreement in its entirety. We are aware that this is a complete deal. It's a deal that has required compromise and long-term negotiation for it to be reached and for it be sustainable in the long term all components will no doubt need to be delivered on for both the government and the stakeholder parties who signed it to remain comfortable with it, and that's part of the strength of this agreement in how it has been formed and its durability going forward.

CHAIR - Yes. The opening part of my question was: are there any other areas currently not under consideration for reserve through this process that you as an organisation have concerns about in the future; or indeed, logging practices into the future and whether that might be clear-fell, burn and sow, a continuation of that as a harvesting method, whether cable logging is another harvesting method which you might have some concerns about and therefore which you might advocate against in the future?

Mr OOSTING - My concern is to see - as I mentioned in regard to Mr Valentine's question - whether part of what needs to be reached here is a degree of certification through the FSC model that will give us the confidence around how those forests are being managed going forward. I think that's what, certainly in the work that I have done, speaking to those whether it be in the timber industry or within the investment community, are looking for and I also believe it's where stakeholders who are concerned about the sorts of logging practices that you raised have a fair forum to raise those concerns.

The governance structure of FSC Australia I believe is very solid and if we wanted to raise the concerns about those sorts of logging practices, I think that would be a great forum in which to do that. I think that's the strength of reaching a forest agreement over what are some of the really thorny issues that have been at the centre of the forestry debate of Tasmania for now more than 25 years. It gives us the ability to have something like FSC as a forum to really look at how those issues are managed into the future.

CHAIR - Yes, I accept that but do you at the moment have concerns about that couple of areas I gave an example of - clear-fell, burn and sow and cable-harvesting.

Mr OOSTING - No, I personally don't and our members have strongly indicated they support the forestry agreement. That is all I can only say in relation to that.

Ms RATTRAY - Can I take you back to your membership; do you break that down region by region? I would like to get some understanding of where the bulk of your support comes from. I don't know too many people who are part of your group so I am interested to know where the bulk of them come from.

Mr OOSTING - Do you mean across Tasmania?

Ms RATTRAY - Absolutely, across Tasmania. I have enough to look after in Tasmania; I can't look after the rest of the country.

Mr OOSTING - It is possible for us to do that but I don't have that data in front of me.

Ms RATTRAY - Would it be possible to get that, Paul, and provide that to the committee?

Mr OOSTING - I would have to check with our directors in relation to our privacy policy.

Ms RATTRAY - I don't need the names; postcodes would be fantastic.

Mr OOSTING - Are you interested in electorate by electorate perhaps?

Ms RATTRAY - Region by region; north, north-west and south, would probably do it.

Mr OOSTING - Okay. I would be happy to come back to you on that.

Ms RATTRAY - It just gives me some understanding of where the bulk of your support base comes from.

Mr OOSTING - Sure. In general our membership is proportionately spread out similar to the demographics in any given area.

Ms RATTRAY - So predominantly southern based. Would you say city based or am I being a bit presumptuous there?

Mr OOSTING - No. I would say that our membership is generally broken down, and certainly I know this is the case on a national basis, in a similar break-up to how the population is dispersed, so there will be a majority in the cities but we also have a strong representation in regional areas.

Ms RATTRAY - If you can provide that I would be interested in that.

Yesterday we had one of your colleagues at the table - Jenny Weber from the Huon Valley Environment Centre. I asked her, given that there is a strong push from the environmental movement to reduce the amount of area that can be harvested for timber harvesting across Tasmania and hence this agreement that we are dealing with, I am interested in what you see as the future driver for the Tasmanian economy? What do you see as being able to provide funds for health, education and law and order if we take away some of the bigger economic drivers that we have seen in the past. This will effectively do that, in my view.

Mr OOSTING - I would challenge that proposition. I think that the Tasmanian timber industry has been an important part of the economy but I am not sure and -

Ms RATTRAY - You don't think it has been a significant driver in the past?

Mr OOSTING - Certainly in the past but I am not sure that it is the major driver of the Tasmanian economy today.

Ms RATTRAY - I don't think it is a big driver right at this moment because there is a degree of uncertainty, if you haven't noticed, around the timber industry so people are not really willing to invest or take a leap of faith. I am interested in what you think might replace that?

Mr OOSTING - I don't think it is a case of replacement. You talk about investment uncertainty. I have met with a range of people who consider investing into the forest industry and the sort of thing that they have said to me and publicly say and probably in most cases even have as their public-facing environmental policy is that they look for things like high levels of certification and the body that they often have faith in is the Forest Stewardship Council because it has wide stakeholder engagement. It has in most cases three chambers - community, environment groups and the industry - and that brings in a level of certainty.

Ms RATTRAY - They don't have a national standard in place.

Mr OOSTING - I'm not sure if you have already heard from FSC Australia.

Ms RATTRAY - Yes, we have.

Mr OOSTING - They can speak for themselves; my understanding is that FSC national standards are under development. There are already a number of timber operators in Australia who have gone through processes which I understand are based on the international standard as the interim measure to receive FSC certification or controlled wood certification.

Ms RATTRAY - Can you give me a couple of examples of those initiatives that businesspeople have spoken to you about? I would be interested in what areas they are looking at investing in and if it is in Tasmania or more on a national level?

Mr OOSTING - I haven't spoken about particular forest industry investment into Tasmania since my involvement in the Gunns' pulp mill proposal. I am reflecting the conversations I have had with retailers on a national level, what are the trends and where they are moving in terms of certification, and also the dialogue I've had previously with investment banks - ING, Deutsche Bank and others - and also the conversations I had when I was at the Wilderness Society with the purchase of woodchips and other pulp products.

Ms RATTRAY - How many years are we going back there, Paul?

Mr OOSTING - That is a couple of years ago now. My understanding is that the trend is towards high levels of certification, and FSC has the leading standard in relation particularly to environmental and social impact issues, but also attracts a higher premium than other certifications.

Ms RATTRAY - So you don't have any real examples of any businesspeople who are thinking of investing in Tasmania if we arrive at this FSC-accredited harvested timber in the state?

Mr OOSTING - I'm not sure what proposals are on the table right now from the timber industry, but in the past when there has been that is what the investment banks and the potential market providers have indicated to me that they were seeking. I think that is a very strong indicator if investment is to be attracted as to what the marketplace is looking for. There were companies going back to 2008, like the Swedish pulp and paper company Södra, which I often thought would be one of the global leaders in the forest industry. It is certainly one of the biggest and also one of the most sustainable and innovative. Their public position was that for them to invest into Tasmania would require FSC certification.

Ms RATTRAY - Thank you, Paul, and I look forward to receiving that break-up of your membership.

Mr OOSTING - Yes. Send in a request and we will give it consideration.

Ms FORREST - Paul, you gave some figures earlier about support for the forest agreement amongst your membership. When you seek that support do you poll all the members who have engaged on your site or do you just poll ones who have engaged on other sites? Do you just engage with the ones on the forestry area of interest or do you go onto the same-sex marriage, ban live exports and sites on a range of other things?

Mr OOSTING - The survey I am quoting from was a random survey of members across the board.

Ms FORREST - So it wasn't just people with an interest in forestry issues?

Mr OOSTING - No.

Ms FORREST - I accept that your membership broadly supports the TFA, so how will that translate into action should the TFA be supported? What will GetUp! do to support the industry, the actions of Forestry Tasmania, the work of Ta Ann, Britton Timbers, and Harvey Norman that buy the product and so on? What will you do?

Mr OOSTING - That is a conversation that we are willing to have with the industry and with others involved in the community in Tasmania. We think there are huge opportunities that flow from this agreement for the tourism sector, the forest industry and the wider community and certainly in relation to the work we have done previously which is directly related to the Australian furniture market. We would inform those retailers of our support for the agreement and support for where the Tasmanian forest industry has got too. That is something that we have always said from day one of our entry into that campaign was part of the campaign. It is something that we intend to deliver on and something that, based on where the membership is at based on the second question that I quoted from earlier, they seem very strongly to support us doing.

Ms FORREST - If, as has been suggested, people involved in Markets for Change and Huon Valley Environment Centre, for example, actively undermine the agreement by going to markets in Japan or Europe or wherever, will GetUp! follow that up with a 'No, they are wrong' campaign.

Mr OOSTING - I don't think it is our role to be chasing around other environment groups in the areas we campaign in. We will be going back to those retailers to them know the forest agreement passed and of the fact that we support the agreement.

Ms FORREST - I challenge you about this because it is one thing to let the companies know. I think they will probably know if the agreement passes and it is fine to go and tell them, but unless you undertake some public show of support, the commitment is not very meaningful.

Mr OOSTING - We are certainly interested in the public showing its support for the agreement and for the industry. I look to GetUp! membership sending around an email saying, yes, we support the forest agreement. We would look to ways to make it clear that we are happy for this agreement in a public way and show those retailers that this industry has been through substantial transition and is now supported. My personal view is that many environmentalists and many people that are interested in progressive industries really want to see a sustainable timber industry, something that can be a very

strong part of the economy and that, when forestry has done well and has proper certification standards, would be a fantastic product, much better than steel and plastics, for instance.

Many people would want to proactively show that support for Tasmania making the transition. I think that is the strength of where the GetUp! membership is now in relation to this forest agreement because there is large number of GetUp! members around Australia who are passionate about this issue and continue to tell us that. From this poll they are also saying they want to back that in when the time arises.

Ms FORREST - Paul, when you were here before Christmas you had a sample advertisement that basically indicated you were going to run a campaign or advertising program of some sort promoting Tasmanian timbers for use in furniture. I think it was a table and chairs you had in the photo. Can you perhaps discuss that on the record because none of that discussion was on the record?

Mr OOSTING - Yes, that is the sort of thing I see as an opportunity or outcome from our support. If this agreement is reached, how do we create momentum behind the industry to help it make the transition and go through the process of seeking and then maintaining FSC certification and the other changes that are needed to undertake. There needs to be a public demonstration of that support. An ad was an easy way to reasonably demonstrate the way in which GetUp! membership can feel passionate about this issue and passionate about supporting a reform in the Tasmanian forest industry, and the protection of Tasmania's high conservation value forests could do that. That is certainly for me the work proposed.

I look forward to the opportunity where we can put our weight behind the protection of Tasmania's ancient forests. These are forests that have been at the centre of national debate many times and the Tasmanian people have debated it for over 25 years and are closer to doing it via the public and people want to do what they can to support it. There is an awareness, certainly among our membership, that means also supporting those people who work in the industry, and making the transition, but also in time hopefully finding greater value-add out of the remaining forestry estate and the plantation timber estate and also the speciality timber industry. Some close friends of mine are speciality timber workers and I think that is a fantastic industry. I think there is a huge amount of potential there but it is being held back by Tasmanian forest policy for far too long.

Ms FORREST - I want a bit more of a commitment, I guess. While I am hearing you say it is proposed, it is likely to be part of the process, you will engage with the 89 per cent of people who say they support the agreement. If that is true there should be a bit of money flowing behind that if you expect to run a campaign. I am wanting a bit more of a commitment that you will actually do something. It sounds like you probably will and think it makes sense but there is not much commitment there.

Mr OOSTING - We are committed to doing that otherwise I would not be saying that we were. I guess my caveats are that like many people in a lot of ways there is a huge amount of trust. It does feel like we have been through these processes before. I know that at the last time I was in front of the Legislative Council for a debate as intense as this was around the pulp mill assessment process, for instance. We want to see the forestry agreement passed. We are saying if that agreement is passed we will be back the

industry. Things have a fair way to go before the agreement can be passed and implemented so that is probably why you are hearing some caution from me but in terms of the agreement being passed then our membership have indicated they want us to proactively go out there and support it.

Mr WILKINSON - Did the CFMEU indicate to you or your membership that they were interested in any special area when they joined up to GetUp!?

Mr OOSTING - GetUp! doesn't have organisational members; we only have individual members.

Mr WILKINSON - It donated, though, did it not, \$1.12 million to GetUp! on 13 August 2010?

Mr OOSTING - Yes, that is correct. That was a conditional that those funds would go to an industry campaign that had already started and had 16 points a few weeks later, which was an advertisement on air. Those funds were entirely put into an advertising campaign and that was a decision that our membership at that time supported.

Mr WILKINSON - What were those campaigns, Paul?

Mr OOSTING - I was not at GetUp! at that time. The point you are relating to was in the lead-up to the 2007 federal election campaign.

Mr WILKINSON - No, it was 13 August 2010.

Mr OOSTING - Sorry, I was not with GetUp! at that time. The advertisement in question was in relation to the then opposition leader's position on women's issues. I can send you a copy of the particular advertising that their donation was contained to. It wasn't a donation to the organisation; it was a donation to one particular ad that was already running on air and that our members had already funded to have on air.

Ms RATTRAY - A million dollar ad?

Mr OOSTING - Yes, that's correct.

Ms RATTRAY - I am not complaining about supporting women's issues; I am just interested in a \$1 million ad.

Mr WILKINSON - On the website it says 'donations to GetUp!' and then 'donations above \$10 000'. We can see the CFMEU one on 13 August 2010, \$1.12 million; that is why I asked you the question. There are a couple of others but in total the amount of donations over \$10 000 amount to \$2 022 277, so it is approximately half the donation.

Do you believe the Legislative Council should strongly consider high conservation values of the areas that are intended to be reserved in relation to our decision?

Mr OOSTING - Yes, I do. Secondly, in relation to the CFMEU donation, I should have also said it was totally unrelated to forestry or this agreement, if that is the point you were trying to make.

Mr WILKINSON - No, I wasn't trying to make any point; I was just wondering what it was for.

So you believe the Council should consider high conservation values when making a decision?

Mr OOSTING - Absolutely. The independent verification group and the scientific experts who were commissioned to undertake the work to determine the values of the Tasmanian public forest estate did some comprehensive work. This is where the real value of these forests lie in terms of those criteria and the future wealth that can be generated from them in terms of tourism, carbon markets and other opportunities that may flow in other industries.

Mr WILKINSON - Should we also look at an environmental outcome?

Mr OOSTING - I am not sure what you mean by that. How is a high conservation value distinct from an environmental outcome?

Mr WILKINSON - We have had approximately 10 scientists before us and each one has said it is not a good environmental outcome - that is, the agreement before us at the moment. Not one witness who has a background and degree in science has said it is a good environmental outcome. That is the problem I have at the moment.

Mr OOSTING - I find that surprising. I am not sure who you have heard from but there is a range of leading scientists nationally, one of them probably internationally, on issues relating to conservation values: Dr Michael Lockwood, Professor Brendan Mackey, Peter Hitchcock AO, Professor Chris Johnson, Menna Jones, Dr Peter McQuillan - to name a few.

Mr WILKINSON - As a committee we advertise for submissions and take into account those submissions and for some of the people who provide submissions to us we request they give evidence. We have to look at the evidence in coming to a decision.

Mr OOSTING - Absolutely, and I think there is a comprehensive amount of evidence there from leading scientists. It is a shame when you haven't heard from them or sought to hear from there. There has also been a range of other scientific work over the last 20 years or more by other scientists in relation to Tasmania's forests and their conservation values. There has been a court case over the Wielangta which springs to mind where the science was rigorously tested and the logging was going to be driving threatened species close to extinction in that case. There has been work by Dr Terry Becker(?) that springs to mind in relation to the wedge-tailed eagle and logging operations. I think there is a comprehensive amount of science out there if it helps with what you are seeking.

Mr WILKINSON - I think the case was dismissed in relation to the Wielangta issue.

Mr OOSTING - That was after the legislation was changed.

Mr WILKINSON - In relation to agricultural lands as well there is always a bit of tension between using agricultural lands for plantation forests. Is there a tension amongst GetUp! in relation to that?

Mr OOSTING - It is not something that I'm aware we've heard a lot from our membership over.

Mr WILKINSON - What are your views in relation to agricultural lands being used for plantation forests?

Mr OOSTING - In many cases it is up to that landholder to determine how they want to use their forests. In the past I certainly had grave concerns in relation to MIS. I think that has distorted the market. I think it also led to a proliferation of plantations being put in on an unsustainable financial basis and so there are serious legacy issues that need to be addressed because of MIS.

Mr WILKINSON - Are you aware that if the forest agreement passes and if 137 000 cubic metres of sawlog is to be taken into the future, that will mean approximately 20 per cent of our present agricultural lands will have to be handed over to plantations?

Mr OOSTING - I'm unaware of how much of Tasmania's agricultural land is already under plantation. Do you have that figure?

Mr WILKINSON - It is about or less than 5 per cent, I have been told.

Mr OOSTING - I'm not across those figures so I don't think I can usefully comment on that.

Mr WILKINSON - If this is to be the case, if we are to lock up this land and if we are to then endeavour to revert it to plantations, which is the mantra, a significant part of the land already in agriculture will have to be handed over to plantation. It is certainly a concern of mine and I would imagine it would be a concern of GetUp!

Mr OOSTING - I was obviously involved in the forestry protests in the very early days to 2010, but I haven't been aware of any handover of private land to state control as part of this process, if that is what you are inferring. Is that what you are implying?

Mr WILKINSON - No. If there is to be a minimum of 137 000 cubic metres of sawlog taken each year, as in the agreement, then it will mean that in the not too distant future approximately 20 per cent of agricultural lands have to be turned over to plantation if we are to continue with that.

Mr OOSTING - I cannot comment on the accuracy of that figure and whether or not it is the case.

Mr WILKINSON - Can you take it as being the case for the purpose of my question and would you agree that that is a good outcome or a poor outcome, or would you say, 'I just don't know without knowing the true facts'?

Mr OOSTING - I certainly don't know without knowing the true facts. I will also say there has been a lot of contention, as I'm sure you have heard, over the management and

suitability of current plantations. We hear a range of things from the current plantation estate - that it is unusable for any sort of sawn timber. If figures were being based off that proposition, then you get that outcome. However I have also seen the production of cabinetry from nitens plantations, for instance, by some small sawmillers in north-east Tasmania so I think there is a question there around how the current plantation estate is being managed now and what can be done to improve those outcomes to provide sawn timber products.

Mr WILKINSON - Do you believe we should be doing all we can to ensure that our specialty timber people continue to have resource in order to carry out their trade, which is worth about \$70 million just in relation to wooden boat building each year?

Mr OOSTING - As I mentioned earlier, I am a strong supporter of the timber industry. I know many people who work in that industry. I have seen the joint statement of what I imagine is a majority of those workers have put together supporting the forest agreement. I think sustainable forest protection and sustainable forest management go hand in hand with a strong speciality timber industry and it is something I think we should be supporting into the future.

Mr DEAN - I will expand on the question the Chair asked you in relation to your support of the bill and the TFA. I take it then in that comment you made, Paul, that GetUp! supports native logging. I ask that question because of the position of some of the other environment groups - Environment Tasmania, the Wilderness Society and the Australian Conservation Foundation - at one time saying they did not support native forest logging and it was their intention to rid Tasmania and the nation of native forest logging. Is it that GetUp! support native forest logging?

Mr OOSTING - When I was involved with the Wilderness Society in the early days of this agreement I think the first meeting that was held between stakeholders was in something like May 2010. There was an initial period of discussion and a process was established to see if there was any possibility of talking about solutions because many people felt that the way the debate had been playing out in this state over preceding years had not allowed some of the key stakeholders to have that discussion. Based around how other forest agreements had been reached in other parts of the world and how other conflicts had been resolved, the right process was for some people to sit down and say, 'Is there a way to resolve this that our various groups can then take back to the wider community?'.
That earlier statement of principles canvassed a number of things in relation to industry clearly and there was a tension between those principles and some of the other principles, but the principles in relation to this question were that the high conservation value estate as identified by the environment groups would be protected and that there would be a subsequent transition out of native forest logging. The agreement has clearly changed a lot since then.

My understanding is that there has been a compromise from the conservation side of around 100 000 hectares of what is determined as HCV forest - I may be wrong on that exact figure - but also the clause around transitioning out of native forest logging. You do not know all the parts of what this agreement reached, but where GetUp! comes in is that we are supporting the agreement and what that entails. We do not have a flat policy position on forests. We have come in at various stages of this process to see that an

agreement is reached and the agreement before us now is one that 80 per cent our members have indicated they support and therefore we would support this outcome.

Mr DEAN - So it is taken then that GetUp! will be supportive of native forest logging in the long term and we should not expect any protest actions in relation to that?

Mr OOSTING - Our position is to support the agreement in Tasmania and that entails the ongoing logging in native forests. We know that that is contentious and that is where this agreement has landed. I feel as though our members have taken the position that it should be supported as the best way to find the balance between the various stakeholders that rely on forest and the forest industry.

Mr DEAN - What are you saying that you will be doing or this will do to create jobs in Tasmania?

Mr OOSTING - What will the forest agreement do to create jobs in Tasmania?

Mr DEAN - Yes.

Mr OOSTING - We are seeing massive job losses in the forest industry in large part in relation to their lack of credible certification and their failure to meet the international standards that are now required from many of the marketplaces, so this puts the industry on a better footing into the future. I believe that there is massive job creation potential in tourism. The management of these areas, if there was an agreement reached, will be the next discussion point. There are amazingly breathtaking areas that we have the potential of Tasmanian tourism and job creation and, hopefully, economic prosperity from these areas - like the Upper Florentine. Given the beauty of something like the Californian redwoods, as an example, then the Tarkine rainforest has the potential to be the equivalent of the Northern Territory's Kakadu as the drawcard to that region.

Growing up in the area, I saw that potential very early on and was fortunate to work in tourism in the north-west of the state. There is real value there for the Tasmanian economy and particularly exciting opportunities for young people, which is something that has often been on our minds in terms of finding opportunities for young people to stay in Tasmania, have entrepreneurial ideas and give inspirational opportunities. Then there are opportunities in terms of carbon sequestration in that these are massive carbon stores.

Overall I would say that this debate has raged for years, probably not a favourable way for Tasmania. People do not like conflict generally, so this is an opportunity to turn around the huge amount of momentum behind the forestry debate. It has gone on for a long time and in the case of GetUp! it engages hundreds of thousands of people and more globally and this is an opportunity for the state to get on its front foot and start to promote itself. I would hope that there are further good branding opportunities that will flow from that, not just for those direct beneficiaries in terms of FSC or tourism and the industry but also in terms of other industries that are seeking high value markets, potentially in the agriculture sector, for instance.

Mr DEAN - The information I have is that in areas where we have blocked off areas in this state and we have gone down this path, the jobs created have been minimal and there is

evidence that suggests really none at all. I want to know where this is going to be different and if you can give me any examples where we have gone down this path in this state and where it has created more jobs for Tasmanians in locking up and creating reserves and World Heritage areas and so on.

Mr OOSTING - My understanding is that 2010-11 ABS data on tourism jobs estimated there is around 15 000 direct jobs in tourism in Tasmania. I would put it to you that a lot of those jobs have flowed from Tasmania's wild areas, which are protected. Freycinet might be one example. I believe there are a number of people employed in that area on the back of the national park and the jobs that have flowed there. Strahan and tourist ventures there would be another example in terms of hotels and businesses that exist in Strahan on the back of people wanting to go to that area because it is surrounded by some amazing areas that have been protected. With 15 000 people based on tourism, I do not think anyone can argue that nature and protected areas in Tasmania are not a major drawcard that sustain those jobs.

Mr DEAN - The tourism figures produced for this state about two years ago identified why tourists were coming to this state and the areas and the reasons they were coming to the state. The areas that we are talking about to view our rainforests and other areas were not high on that list. I don't have the numbers and I am sorry I cannot put them to you but the tourism numbers don't support some of the claims that you are now making.

Mr OOSTING - Without seeing that data it is a bit hard for me to comment on that.

Mrs TAYLOR - Under this TFA, in the future, with available timber from the production areas, the quotas will be very tight. It will be very tight to achieve the minimum quota set for sawlogs and peelers et cetera. What if the limit was set at 137 000 cubic metres, as the agreement says, but we didn't lock up further areas so that a greater rotation time could be achieved and the forest had longer to grow and therefore the industry, getting better trees, would in fact need to take fewer trees? That would probably be good for the industry but it could also be very good long term for the environment. Have you considered that kind of possibility? You would still get the limitation of the number of sawlogs taken out but it would be 'tread lightly and more widely'.

Mr OOSTING - As I understand it the agreement doesn't canvas an increase or intensification of logging outside of the proposed reserves.

Mrs TAYLOR - Are you saying it is not an intensification?

Mr OOSTING - That is my understanding in terms of where the agreement lands in terms of the non-protected areas, that there is not entailed a large intensification of the impact of logging in those regions.

Mrs TAYLOR - But wouldn't it be a whole lot less? Wouldn't it be a much lighter footprint of harvesting if it could be done over a much larger area?

Mr OOSTING - I think that the areas that are on the table for being protected are very unique and have a diversity of really important conservation values that would be negatively impacted by ongoing logging in them and would also circumvent other economic opportunities. My personal experience of being in the [inaudible] and the

economic and employment impacts that that had on our small business in north-west Tasmania. Then there are the tourism impacts and the impacts on carbon capture. There is a huge economic opportunity here for Tasmania, I believe, in the areas that have this vast opportunity, like the Upper Florentine, for instance, where there has been a distinct footprint from logging which now could provide the basis for really smart and exciting ecotourism opportunities and employment generation opportunities in those regions. People go to see places such as the redwoods in California so they can experience these amazing forests and getting national parks [inaudible] and providing a conservation platform is a key part.

Mrs TAYLOR - Nobody is suggesting that our old-growth forests would be taken. We might even say the World Heritage area that has been proposed for listing could still be taken out. So you have not considered it and you do not think it would be something acceptable to GetUp!?

Mr OOSTING - I have considered it. The position of GetUp! is to support the current forest agreement; that is where our members have landed. If this agreement is taken off the table then we would have to reconsider what was put on the table. Have I considered it personally? Yes, I have, whilst I was involved in forest policy at the Wilderness Society. I don't believe it is the best outcome for conservation or a way forward for the timber industry if they are seeking things such as forestry certification where the type of logging you are proposing can be challenging.

Dr GOODWIN - Ruth asked you about the advertisement in December that GetUp! may be willing to run, assuming the legislation was passed. What conservation outcomes have to be achieved in order for GetUp! to commit to running that campaign?

Mr OOSTING - The survey and the position we put forward is in relation to the forestry agreement in its entirety, so that has been the position of GetUp! to date.

Dr GOODWIN - If I take the World Heritage nomination, that is just that as far as the agreement is concerned - making a nomination, not achieving a listing. The agreement also refers to seeking FSC certification, not being able to deliver it because that is something there can't be any control over; it depends on the process. Is it purely what is listed in the agreement in pursuing those goals of FSC certification and World Heritage listing, for example? Is that going to be sufficient for your purposes or do those conservation outcomes have to be delivered?

Mr OOSTING - We support the agreement. Of course there are elements of the agreement that are aspirational and need to be worked towards; that is understood.

Dr GOODWIN - So even though they are aspirational, as long as there has been some progress towards those then you will still commit to running your campaign?

Mr OOSTING - Yes. If the agreement is passed and delivered, understanding that some of those agreed mechanisms need to be rolled out over time, that is something our membership has indicated they would expect us to support and proactively support.

Dr GOODWIN - I'd be feeling a little more comfortable if you were a bit more enthusiastic, Paul, about that campaign.

I would like to move on to the point that Jim raised. This is the issue around the scientists and the observations they have made about this process. What they have said to us is they don't believe the process that has been undertaken has been comprehensive. The signatories, or in particular the ENGOs, have identified some areas they think are worthy of protection and then the independent verification group has gone off and verified that those areas have some conservation values.

If you were going to do a proper job - and this is what the scientists have said to us - you would have a look at the whole of Tasmania and all the biodiversity across Tasmania in terms of threatened species and areas worthy of protection because they have high conservation value. You would look at private forests and the rest of the estate that is already in reserves and you would pick those bits that have the highest conservation value and then you might consider reserving those, if necessary, but not even necessarily because we have also heard that best practice is that you don't necessarily have to lock everything up.

You can harvest in some areas and still get good conservation outcomes. What I am putting to you, Paul, is that the scientists are saying to us this is not the best process. These areas that have been identified by the ENGOs and that are earmarked to be reserved have some conservation values but they don't necessarily have the highest conservation values.

Mr OOSTING - I don't accept the proposition you are putting forward in terms of scientists. There is always a range of views in any scientific community but from what I have seen there are many scientists over many years, starting with the Helsham Inquiry and going through a number of iterations, who have identified the high conservation values in the forests that are part of the this agreement. The other process, which I thought was a good process at the time, was the Tasmania Together process where the community was consulted on its views around forestry and forests that should be protected. The views of the community are there and experts have had input into that process had in relation to protecting the public estate of high conservation value forests.

I think there is a long track record and high levels of testing from government processes, including this latest one, through to the courts that demonstrated the conservation values that exists in the forests before the Council

Mr GAFFNEY - Paul, I am interested in knowing the process used within GetUp! about deciding which issues you support and how you determine that. Ruth asked you before about what GetUp! might do if the TFA was passed. Alternatively, how do you decide what GetUp! does if the agreement fails? How do you determine what strategies you have in place to put on your website?

Mr OOSTING - We are a membership-driven organisation. In trying to inform the position I needed to represent today for you, we conducted the survey late last year. That was similar to the process we used in determining campaigns that GetUp! membership is passionate about. For instance we conduct monthly random sample surveys of our membership. On a yearly basis we undergo a more thorough process engaging the entire membership to have their say about what issues they think we should be working on. The organisation set some pillars in place - economic fairness, social equity and

environmental sustainability. We are a progressive, value-driven organisation in terms of issue selection, and how we campaign those determinations are driven by the views of the membership. For instance, we are about to go through a fairly exhaustive process with the membership to determine what they think are the important issues for this year. That is a very important discussion for our members to be having because it is a federal election year and the organisation will be engaging around the election to push the policy areas and outcome areas that are important to the membership.

That process will be announced soon and will entail members questioning events in their own homes. It will involve some sort of national tour, online and off-line surveys for our membership - all 640 000 of them. There are [inaudible] instructions and that will be a publicly released report on the back of that that will be sent to all political candidates and members of parliament to show them what GetUp! membership, a big chunk Australians, care about and a hope to see public policy develop from.

Mr GAFFNEY - The CFMEU some time ago put \$1.2 million into an advert campaign for women's issues, which is fine. What if Markets for Change come along with \$1.2 million and want GetUp! to be involved in forestry issues here in Tasmania where they are not supportive of the TFA? How does the board then determine what you have stated in the past to an opportunity from a business perspective into the future for \$1.2 million? How would you respond to something like Markets for Change saying we want you to run this campaign?

Mr OOSTING - It is important to point out that is exactly what didn't happen with the CFMEU. That is certainly the spin that people have tried to put on it. What happened was that GetUp! membership had a view on the political issues that they wanted to be debated in the lead-up to that election. The staff at the time designed an ad and they put it out to the membership and said, 'Right, what do you reckon, should we run this?'. The membership said, yes, that is great let us get it on TV and so chucked in some money. The ad was to be on air for a fixed period of time - something like 10 days. The CFMEU then approached GetUp! and said, 'We would like to donate to give that ad a bigger run', and so that was on the basis that it was only used for that particular advertisement campaign.

After that the organisation went back to the membership to see whether or not they thought the right call was made in terms of the fact that it was an existing campaign, an existing package and this was a donation to that. Their view was that it was the right thing to give greater voice to an issue that at that point was really important to them and they wanted to see it more strongly out in the public domain.

We don't operate on the basis that people can make donations to shape our campaigning. That is why we have the rigorous process around engaging our membership in determining what is important to them and how they want to campaign.

CHAIR - Thanks very much, Paul, we appreciate your time this afternoon.

DISCUSSION CONCLUDED.