Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012

Submission by Forestry Tasmania

17 January 2013
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Summary

Forestry Tasmania (FT) acknowledges that the environment within which it, the broader forest industry and regional communities will be required to operate for the foreseeable future has changed dramatically, and that major alterations to historical operating parameters are inevitable. This presents all involved in the industry with major financial, operational and strategic challenges. The TFA was designed by its architects to largely address these challenges, through agreements on future guaranteed wood supply offset by increased areas of new reserves.

FT acknowledges the significant consensus achieved by the Signatories to the Tasmanian Forest Agreement 2012 (TFA), which has settled on a minimum long term supply of 137,000 cubic metres per year of high quality eucalypt sawlogs and 525,000 hectares of new reserves.

Despite some concerns flowing from the proposed lower level of wood supply and the significant addition of new reserves, FT is encouraged by many aspects of the TFA, including the Signatories’ vision for a strong, competitive forest sector based on sustainably managed publicly and privately owned native forests and plantations, profitable production and infrastructure and capable of innovation and investment.

FT was not a member of the Signatories Reference Group, but assisted the process as a technical consultant, primarily on resource modelling.

The social and economic effect of the TFA has not been assessed fully to date. However, FT has estimated the annual gross value of production from native forest products from Tasmania’s public forest estate (the “public native forest GVP”), and the net present value of that GVP based on the remaining fifteen year period for eucalypt sawlog contracts (until 2027), under various supply scenarios. For the purposes of this submission, it has been taken as a given that the previously legislated minimum supply of 300,000 cubic metres is no longer relevant. This premise is based on the one hand on Gunns Limited’s demise and on the other hand on declining market demand evident in the immediate past.

This analysis shows that the annual public native forest GVP under the highly constrained operating environment of 2011/12 was approximately $156 million ($156M), with only 110,000 cubic metres of high quality sawlog being sold. However, if markets allowed all current sawlog contracts to be fulfilled (163,000 cubic metres per year of high quality sawlog), then the annual public native forest GVP is estimated to be $197M.

The obvious reality is that this supply level is highly uncertain in the absence of a durable forest agreement, as market demand for residues is unlikely to support this level of industry activity. The TFA supply level (137,000 cubic metres per year of high quality sawlog) should initially support an annual public native forest GVP of about $165M, based on current processing and current prices for forest products. However, the TFA offers an opportunity to develop higher value markets and additional employment through developing domestic processing for non-sawlog products such as laminated veneer lumber and pulp, and to diversify away from the historical reliance on woodchip exports by developing bioenergy. Based on likely values for these products, a potential annual public native forest GVP of $220M is realistically achievable.

To a large extent, the analysis based on enhanced value from an uncontested supply underpins FT’s conditional support for the TFA, which deserves community support if it is truly durable and results in a vibrant and competitive forest products sector based on reduced volumes but with higher value.
There will clearly be issues to be managed as the transition to reduced volumes is worked through and the additional value-adding from a durable supply is realised. FT’s short term commercial viability will continue to be significantly challenged by the reduced supply levels prescribed in the TFA Bill. FT recognises that this is one of the consequences of an agreement designed to achieve the goal of peace within the commercial public forest estate.

This is a policy decision for Government but it is one that the board of FT endorses with the following caveats.

a) FT believes there can be a viable forest industry going forward provided the TFA helps facilitate an orderly transition in public commercial forestry from one based primarily on native forests (until 2027), to an enhanced sector based primarily on plantations, but complemented by an important ongoing native forest industry after 2027 based on a supply level of high quality sawlogs of about 100,000 cubic metres per year and the best use of associated arisings.

b) This vision will be best achieved if:

- FT is confirmed as the statutory commercial agency described in the TFA, with full management responsibility for the proposed Permanent Timber Production Zone, and receives full funding for any required community service obligations;

- there is strong support for innovation and investment in new markets for forest products such as HARDLAM (laminated veneer lumber produced from native forest and plantation eucalypts), wood for biofuels and electricity production as well as pulpwood primarily from plantations for the sustainable supply of a new pulpmill in northern Tasmania;

- the Tasmanian Forest Agreement proves to be truly durable as evidenced by strong support for, and maintenance of, Forest Stewardship Council certification for the proposed Permanent Timber Production Zone;

- there is improved infrastructure and access for export of forest products, particularly from ports in north western and southern Tasmania;

- a triple bottom line approach is adopted for forest regulation such that wood supply levels can be maintained; and

- investor and market confidence is restored through adherence to the TFA and the Signatories’ Vision for Tasmania’s Forests.

FT will use its best endeavours to help deliver this vision and maintain a viable enterprise, albeit with reduced wood supply levels and a smaller commercial public forest estate.

FT understands that the new reserves will be transferred from State forest to nature conservation reserves managed by the Parks and Wildlife Service. It is aware of some specific management issues, which will be addressed through consultation and cooperation with Government, the Signatories, DIER, DPIPWE and the Parks and Wildlife Service. These include the following.
1. Further consideration of the Specialty Craft and Timber Zone specified in the Tasmanian Forest Agreement. Some 15,642 hectares of the 37,954 hectare Specialty Craft and Timber Zone identified by the Signatories was not part of FT’s Special Timber Zone and is unlikely to contain significant quantities of special timber.

2. Selection of final reserve boundaries that provide for appropriate management and funding for the Warra Long Term Ecological Research Site in southern Tasmania. Ideally, current land tenure ought to be retained with the relevant State forest to become Permanent Timber Production Zone Land.

3. Maintenance of the road network required to access residual production forests that are isolated by the new reserves.

4. Development of agreed protocols for forest management activities adjacent to and within the new reserves, e.g. for road access to Permanent Timber Production Zone Lands that are otherwise isolated by reserves, for fuel reduction burning and for cable logging anchor points.

FT recognises that the Signatories’ process and the resultant Tasmanian Forests Agreement has been a negotiated settlement between deeply divided parties, rather than a comprehensive scientific and technical process such as was undertaken to underpin the 1997 Tasmanian Regional Forest Agreement.

Given the potential for the 2012 TFA to resolve Tasmania’s long standing forest conflict, FT recognises that the TFA Bill, with relatively minor adjustments, represents a unique opportunity to strengthen FT’s, and the broader forest industries’, competitiveness and resilience, and ultimately stabilise the operating environment for the benefit of all involved.

1. **Introduction**

FT welcomes the opportunity to provide a written submission and to appear before the Legislative Council’s inquiry into the Tasmanian Forests Agreement Bill 2012 (hereafter referred to as the TFA Bill).

FT acknowledges that the environment within which it, and the broader forest industry, will be required to operate for the foreseeable future has changed dramatically and major alterations to historical operating parameters are inevitable. This presents all involved in the industry with major financial, operational and strategic challenges that the TFA was designed by its architects to largely address through agreements on future guaranteed wood supply offset by increased areas of new reserves.

FT acknowledges the significant consensus achieved by the Signatories to the Tasmanian Forest Agreement (hereafter referred to as the TFA), which has settled on a minimum long term supply of 137,000 cubic metres per year of high quality eucalypt sawlogs and 525,000 hectares of new reserves. It notes that the Signatories process was based primarily on negotiation, rather than on a scientific and technical process. Nevertheless, it recognises that the TFA and the TFA Bill represent an unprecedented opportunity to resolve Tasmania’s divisive and damaging conflict over the appropriate balance between forest production and reservation.
To assist the Committee in its consideration of the TFA Bill and its associated issues, FT has compiled a timeline of key events associated with the Tasmanian Forests Intergovernmental Agreement (TFIA) Process (Appendix 1). FT also respectfully reminds the Committee that the period over which the process has been conducted has coincided with a ‘perfect storm’ of adverse external factors, which have included the Global Financial Crisis, the high Australian dollar, the Japanese earthquake and tsunami of March 2011 which affected pulpmill capacity, the decision of Gunns Limited to exit value-adding from native forest harvesting and close its export woodchip mills, and market campaigns against overseas customers by activists outside the TFIA process.

FT recognises that the market changes over the past few years require a restructuring of the Tasmanian public commercial native forestry sector. The consensus arising from the TFA should provide an opportunity to reposition the Tasmanian industry away from undifferentiated commodity exports, towards the manufacturing of engineered wood products and the creation of renewable energy industries. FT has outlined its vision for capitalising on these changes in its Forestry Innovation Plan (http://www.forestrytas.com.au/topics/2011/09/forestry-innovation-plan). As such, we are encouraged by TFA’s complementary vision for a strong, competitive forest sector based on sustainably managed publicly and privately owned native forests and plantations, profitable production and infrastructure and capable of innovation and investment.

FT trusts that its submission will assist the Committee with its deliberations, and will be pleased to provide further information that may be required, if it can reasonably do so.

2. Assistance provided by Forestry Tasmania to the Signatories Reference Group and to the Tasmanian Forest Agreement process

FT was not a member of the Signatories Reference Group, but assisted the process as a technical consultant, primarily on resource modelling. More broadly, it assisted the Tasmanian Forest Agreement process by:

- providing advice to the parties, the Governments and the Independent Verification Group on its ability to meet contractual obligations under proposed reserve scenarios;
- undertaking resource modelling and mapping; and
- reviewing the Independent Verification Group reports.

Specifically, FT provided the following technical services and advice to the process.

- During 2010/11, FT provided consultancy services to the Signatories to evaluate wood supply under the scenarios proposed by the ENGOs and the forest industry. Results were reported to the Signatories, and subsequently to the public, in June 2011.

- In January 2012, the Australian and Tasmanian Governments and FT signed the Conservation Agreement under the TFIA, under which interim protection was provided for all but 1,950 hectares (0.5 per cent) of the Immediate Protection Area. FT cooperated fully with the independent schedulers to reschedule harvesting out of this area. Access to the 1,950 hectares was required in order to meet ongoing contractual obligations for sawlog and domestic peeler supply.
FT also cooperated fully with the requirements of the Independent Verification Group established under the TFIA. It provided data sets to the Independent Verification Group and assisted Professor Mark Burgman and, in particular, Dr Andrew Robinson with their review of Tasmanian forest estate wood supply scenarios.

FT has also assisted the TFIA process by providing contracted technical services, such as forest estate modelling, to Dr Andrew Robinson, which he used to inform the signatories so that they could explore alternative scenarios for reserves that were compatible with the wood supply targets specified in the Agreement.

3. **Current situation: overarching issues**

3.1 **Socio-economic issues**

The social and economic effect of the TFA has not been assessed fully to date. However, FT has estimated the gross value of production from native forest products from Tasmania’s public forest estate (the “public native forest GVP”), and the net present value of that GVP, under the various supply scenarios. The net present value analysis of the public native forest GVP is based on the remaining fifteen year period for eucalypt sawlog contracts (until 2027), and assumes a discount rate of 6% per year. The scenarios are described below and summarised in Table 1.

1. **Full supply level consistent with the existing legislated 300,000 cubic metres per year commitment for high quality eucalypt sawlog and the existing contracted 265,000 cubic metres per year of domestic peeler billets, along with annual sales of 2.4 million tonnes of pulpwod, lower grade sawlogs and export peeler logs and 12,500 cubic metres of special timbers.**

For the purposes of this submission, it has been taken as a given that the previously legislated minimum supply of 300,000 cubic metres is no longer relevant. This premise is based on the one hand on Guns Limited’s demise and on the other hand on declining market demand evident in the immediate past.

2. **Current contractual supply of 163,000 cubic metres per year of high quality eucalypt sawlog, along with annual sales of 187,000 cubic metres of domestic peeler billets, 1.035 million tonnes of pulpwod, lower grade sawlogs and export peeler logs and 12,000 cubic metres of special timbers.** Note that the assumed domestic peeler log supply does not match the existing contracted supply (shown in Scenario 1), but is FT’s estimate of the quantity available from native forest remaining in wood production under this scenario.

3. **The Tasmanian Forests Intergovernmental Agreement (TFIA) guaranteed annual supply level of 155,000 cubic metres of high quality eucalypt sawlog, along with forecast annual sales of 178,000 cubic metres of domestic peeler billets, 984,000 tonnes of pulpwod, lower grade sawlogs and export peeler logs and 11,900 cubic metres of special timbers.** Note that the assumed domestic peeler log supply does not match the existing contracted supply (shown in Scenario 1), nor the quantity specified in the TFIA, but is FT’s estimate of the quantity available from native forest remaining in wood production under this scenario.
4. A low supply level based on the actual supply in 2011/12, which is representative of a supply level when operating in an environment with low investor confidence, weak markets for residues and the temporary closure of key processing infrastructure (some of which has since reopened).

5. The Tasmanian Forest Agreement (Current Value Scenario) supply level of 137,000 cubic metres of high quality eucalypt sawlog, along with forecast annual sales of 157,000 cubic metres of domestic peeler billets, 870,000 tonnes of pulpwood, lower grade sawlogs and export peeler logs and 9,000 cubic metres of special timbers. Note that the assumed domestic peeler log supply does not match the existing contracted supply (shown in Scenario 1), nor the quantity specified in the TFIA, but is FT’s estimate of the quantity available from native forest remaining in wood production under this scenario.

6. The Tasmanian Forest Agreement (Innovation Plan Scenario) with the same supply volumes as Scenario 5, but with enhanced value for material arising from sawlog operations, based on assumed new developments that are consistent with FT’s Innovation Plan and with the Signatories’ Vision for Tasmania’s Forests that is outlined in the TFA.
Table 1. Comparison of gross value of production (GVP) from public native forests under various supply scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>High quality eucalypt sawlogs (Km³pa)</th>
<th>Eucalypt peeler billets (Km³pa)</th>
<th>Special timbers (Km³pa)</th>
<th>Arisings (Ktpa)</th>
<th>Annual GVP ($Mpa)</th>
<th>NPV of GVP over 15 years ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Full supply consistent with existing legislated annual sawlog supply.</td>
<td>300</td>
<td>265</td>
<td>12.5</td>
<td>2,400</td>
<td>372</td>
<td>3900</td>
</tr>
<tr>
<td>2. Supply consistent with current sawlog contracts</td>
<td>163</td>
<td>187</td>
<td>12.0</td>
<td>1,035</td>
<td>197</td>
<td>2100</td>
</tr>
<tr>
<td>3. Supply consistent with TFIA sawlog supply (infeasible with new reserves)</td>
<td>155</td>
<td>178</td>
<td>11.9</td>
<td>984</td>
<td>187</td>
<td>2000</td>
</tr>
<tr>
<td>4. Low supply level based on 2011/12 actual sales (consistent with policy and market uncertainty)</td>
<td>110</td>
<td>209</td>
<td>12.5</td>
<td>743</td>
<td>156</td>
<td>1600</td>
</tr>
<tr>
<td>5. Supply consistent with TFIA (feasible with new reserves)</td>
<td>137</td>
<td>157</td>
<td>9.0</td>
<td>870</td>
<td>165</td>
<td>1700</td>
</tr>
<tr>
<td>6. Enhanced TFIA value with new industry development</td>
<td>137</td>
<td>157</td>
<td>9.0</td>
<td>870</td>
<td>220</td>
<td>2300</td>
</tr>
</tbody>
</table>

Notes:
1. Wood supply until 30 June 2027 reported only.
2. Km³pa means thousands of cubic metres per year
3. Ktpa means thousands of tonnes per year
4. $M means millions of dollars and $Mpa means millions of dollars per year
This analysis shows that the annual public native forest GVP has dropped from $372M under the full supply level (Scenario 1) to $156M under the low supply level experienced in 2011/12 (Scenario 4). Given Gunns Limited’s demise and the declining market demand, a full supply level of supply from native forests is no longer relevant. However, the low level of supply in 2011/12 was partly attributable to the closure of the Southwood-Huon sawmill, which has since re-opened.

If markets allowed all current sawlog contracts to be fulfilled, then the annual public native forest GVP is estimated to be $197M (Scenario 2). However this supply level is highly uncertain in the absence of a durable forest agreement as market demand, particularly for associated non-sawlog material, is unlikely to justify this level of industrial activity. The TFA, if adopted through legislation, should initially support an annual public native forest GVP of about $165M, based on current processing and current prices for forest products. However, the TFA offers an opportunity to develop higher value markets through developing domestic processing for products such as laminated veneer lumber, pulp, and to diversify away from the historical reliance on woodchip exports by developing bioenergy. Based on likely values for these products, an annual public native forest GVP of $220M is realistically achievable, as follows.

\[
\begin{align*}
\text{Base (Scenario 5)} & \quad \$165\text{Mpa} \\
\text{Three LVL plants (54,000 cubic metres produced per year)} & \quad + \$30\text{Mpa} \\
\text{Bleached Kraft pulpmill using 200Ktpa native forest} & \quad + \$25\text{Mpa} \\
\text{Total (Scenario 6)} & \quad \$220\text{M}
\end{align*}
\]

To a large extent, the analysis of Scenario 6 underpins FT’s conditional support for the TFA, which deserves community support if it is truly durable and results in a vibrant and competitive forest products sector based on reduced volumes but with higher value.

In the short term, there will clearly be a significant cost from moving from FT’s current long term sales contracts for high quality eucalypt sawlogs (i.e. 163,000 cubic metres per year), to the TFA target of 137,000 cubic metres per year. During this phase (i.e. until the additional value adding represented by Scenario 6 is achieved), the impact on FT’s gross annual revenue of the reduction in high quality sawlog production, along with the reduction in the production of pulpwood, peeler logs and special timbers under this scenario, is estimated to be $11.5M of the estimated $32M reduction in annual public native forest GVP.

These preliminary analyses indicate that the reduced supply levels prescribed in the TFA Bill significantly challenge FT’s commercial viability. FT will therefore need ongoing funding support, particularly for its non-commercial functions. These have been independently identified as amounting to some $20 million per year. If these functions are transferred to another agency then FT will be able to more quickly return to profitability. However, if these levels of services are to be maintained, then the costs to the Tasmanian Government will merely be shifted and may even be increased.
3.2 Roads and public access

FT currently maintains 13,000 kilometres of forestry roads, most of which are available for public use, and provides many recreation facilities, including 250 walking tracks covering 600 kilometres, and 75 recreational and picnic sites. These facilities, which are in addition to the commercial tourism ventures at Tahune, Maydena, Hollybank and Dismal Swamp, allow FT to manage State forest in a way that provides for the community’s right to access public land for multiple uses, which range from free-of-charge recreation opportunities such as horse riding, mountain biking, camping and dog walking, to traditional activities such as firewood harvesting, hunting and fossicking.

Many of these multiple use opportunities may be foregone should these new reserves be proclaimed as National Parks. However, a wider range of recreational uses would be permitted if the new reserves are given tenures such as regional reserves and nature conservation areas.

3.3 Fire fighting capacity

One of FT’s key non-commercial responsibilities is the maintenance of its forest fire fighting capacity – in practice, it contributes a significant proportion of the specialist forest fire fighting capacity for the State. The wages and salaries for these employees are paid by FT from its sales revenue.

The nature of FT’s current operations allow for major efficiencies in fire management, for example:

• fire management across production forests and forest reserves is fully integrated;

• a significant proportion of operational staff are also trained fire fighters, whose technical firefighting competence and physical fitness are regularly reviewed; and

• forestry vehicles are converted to water tankers in the summer.

However, a particular concern to FT has been the recent reduction in its fire fighting capacity. In the past five years, its workforce has fallen from 546 to 360 employees, of which only 55 per cent have passed the medical and physical fitness screening required for active fire fighters. Forestry contractors similarly provided additional fire fighting resources in the past, but the industry downturn has caused a sharp decline in the number of contractors available for fire fighting.

In adopting the TFA, it needs to be acknowledged that the firefighting responsibility of the Parks and Wildlife Service will be substantially increased when management of the new reserves is transferred from FT.

3.4 Implications of the TFA and TFA Bill for the Forest Practices Code

Clause 53 of the TFA calls for the Forest Practices Act to be amended to recognise the outcomes of the TFA and to require the Forest Practices Authority to explicitly consider the social, economic and environmental outcomes of its decision making processes while maintaining the ongoing application of the Forest Practices Code.
Some critics of the TFA have interpreted this to be a ‘roll back’ of the Forest Practices Code, which was last revised in 2000. FT certainly does not seek to roll back the existing Forest Practices Code. In fact, it intends to go a considerable way towards implementing the recommendations of the 2009 review of the biodiversity provisions of the Tasmanian Forest Practices Code. In particular, FT sees considerable merit in the review panel’s recommendations regarding the development of landscape level management for biodiversity in production forest estates.

However, the particular approaches being developed by the Forest Practices Authority, including its proposed Mature Habitat Management Approach, have not yet taken any account of the fact that the TFA Bill will result in 500,000 hectares or more of State forest being formally reserved, and that the production level from State forests will be reduced by 54 per cent. This production level includes a 10 per cent ‘headroom’ factor, which was chosen by the Signatories to reduce the theoretical wood flow (as modelled, i.e. 152,000 cubic metres per year) to take account of unforeseen factors that might reduce actual wood supply in the future.

This (10%) level of headroom would soon be overtaken, if Code prescriptions became significantly more restrictive, meaning that FT could no longer sustain the production of 137,000 cubic metres per year of high quality sawlog from public native forests.

FT is currently developing landscape management guidelines for mature habitat conservation that recognise the importance of maintaining mature habitat biodiversity across the proposed Permanent Timber Production Zone, while operating within the ten per cent headroom required by the TFA. Appendix 2 provides more detail on these guidelines, which are described as the Coupe Context Planning System. FT intends to develop this system in consultation with the Forest Practices Authority, certification bodies and other stakeholders.

FT recognises that landscape management approaches to biodiversity are suited to managers of large forest estates and are less relevant for small private landowners. Although there has been great value in the Forest Practices Code being equally applied across public and private forests, when considering ‘codifying’ landscape management prescriptions it may well be necessary to consider a range of landscape conservation measures and accredit those that are appropriate to the nature and scale of individual forest enterprises, rather than seek a ‘one prescription for all’ approach.

3.5 Tasmania’s position as a leader in sustainable forest management

While FT is encouraged by the TFA’s vision for a competitive forest sector, it is nonetheless concerned that Tasmania’s position as a leader in sustainable forest management may have been substantially downplayed as part of the process. This

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1 Headroom (in wood supply analysis): Headroom (if applied) can be used to reduce the modelled woodflow according to an individual’s preference against risk of future unforeseen factors that might reduce wood supply. This allows potential risks to be managed by developing appropriate mitigation measures over time. Headroom factors provide increased confidence that modelled production levels can be achieved over the selected period, even if further constraints are introduced (e.g. due to currently available areas becoming inoperable in the future due to factors such as more restrictive Forest Practices Code prescriptions, or changes in markets that make some potential coupes commercially unviable).
significant leadership position should continue to be supported, even under the reduced wood supply prescribed in the TFA.

Australia has long had a trade deficit in wood products, and in 2010/11 this amounted to $1.9 billion. However, unlike many other timber producing jurisdictions in our region, Tasmania has stringent environmental and workplace safety legislation in place. Additionally, Tasmania already has a world leading level of conservation reserves as a result of the Regional Forest Agreement, which delivered a Comprehensive, Adequate and Representative reserve system that far exceeded the International Union for the Conservation of Nature’s benchmark for reservation. Its forest industry is underpinned by leading scientific research. Its production forests provide timbers renowned for strength and durability, are fire adapted and resilient to well managed harvesting. The plantation industry, while important, represents only a subset of the range of valuable products provided by native forests.

4. New operating environment - can Forestry Tasmania be commercially viable under the TFA?

Despite some concerns flowing from the proposed lower level of wood supply and the significant additions of new reserves prescribed in the TFA Bill, FT is encouraged by many aspects of the Tasmanian Forest Agreement 2012, including, as noted in the Introduction, the Signatories’ vision for a strong, competitive forest sector based on sustainably managed publicly and privately owned native forests and plantations, profitable production and infrastructure and capable of innovation and investment. It must be acknowledged that FT’s commercial viability is significantly challenged by the reduced supply levels prescribed in the TFA Bill. FT will need ongoing financial support, particularly for its non-commercial functions over the next few years, as FT seeks to stabilise its management structure and enhance its future competitiveness within the negotiated framework of the TFA.

However, FT recognises that, to achieve the goal of peace between deeply divided stakeholders to the commercial forest estate, the Tasmanian Government has made the decision to support the TFA despite the downside, but valuing more highly the prospect of a stable if significantly downsized FT and forest industry. This is a policy decision for Government but it is one that the board of FT endorses.

FT believes there can be a viable industry going forward, provided the TFA helps facilitate an orderly transition in public commercial forestry from one based primarily on native forests (until 2027), to an enhanced sector based primarily on plantations, but complemented by an important ongoing native forest industry based on a supply level of high quality sawlogs of about 100,000 cubic metres per year and best use of associated arisings.

This vision will best be achieved if the following are delivered.

(a) Dedicated forest manager

FT is confirmed as the manager of the proposed Permanent Timber Production Zone, and receives the full funding of any required community service obligations.
(b) Support for innovation and investment

The Forest Innovation Plan (http://www.forestrytas.com.au/topics/2011/09/forestry-innovation-plan) outlines FT’s vision for capitalising on the changes in resource supply under the TFIA/TFA. The Plan aims to expand the Tasmanian forest industry beyond its traditional product mix of sawn timber and commodity woodchip exports, by attracting investment in engineered wood products such as laminated veneer lumber and cross laminated timber, textiles such as rayon and renewable energy such as torrefied wood and wood pellets. The plan identifies a number of locations around the State as being suitable for this value-added manufacturing, including two Wood Centres, as well as other regional locations with existing infrastructure that could be upgraded for a relatively low capital expenditure.

The first product to be developed under the plan, HARDLAM, was launched in 2012 and FT is currently seeking investors to partner with it in manufacturing and marketing.

FT also notes that the development of a pulp mill, which would process plantation and some native forest pulpwood, remains a key project that would contribute to the ongoing viability of the wider industry.

However, for these projects and others to be realised, the TFA Bill must address issue of sovereign risk to potential investors, ensure strong support for the implementation of the Forestry Innovation plan, and restore market confidence through adherence to the TFA’s vision and provisions.

c) Durability

Similarly, FT supports the TFA insofar as it can be proven to be truly durable, as evidenced by strong support for, and maintenance of, Forest Stewardship Council certification for the proposed Permanent Timber Production Zone (as outlined in Clause 47 of the TFA).

FT has been certified under the Australian Forestry Standard (internationally endorsed by PEFC) since 2003 and will continue to hold this certification.

Two recent developments have encouraged FT to now actively seek FSC certification. Firstly, FSC Australia has stated its intention to develop its national standard for Australia by December 2014. The second was the signing of the TFA.

Based on these important developments, FT has decided to immediately apply for FSC certification and is confident that its high standards of forest management, along with the stakeholder support arising from the Tasmanian Forest Agreement, will allow it to meet the FSC’s certification standards. FT recognises that its application and systems will need to be rigorously assessed by accredited certifying bodies and FT looks forward to engaging with this process.

Nevertheless, while FT is encouraged by the durability considerations and the ENGO Signatories’ support for FSC certification, it also notes that the ENGO Signatories must show leadership to the non-signatory activist groups to ensure the durability provisions are delivered. A permanent cessation of market attacks and workplace protest by these groups must take place in order for the TFA to be implemented successfully, and to reduce risks to investors.
(d) Improved infrastructure and access to markets

As has been well documented, the closure of the Triabunna woodchip mill and restricted access for export of forest products from the Burnie port has been highly detrimental to FT and to the wider forest industry. The reopening of the Triabunna woodchip mill was promised under the TFIA, and its continued closure cost FT $25 million in lost sales opportunities in 2011/12. In order for FT to successfully implement the Forestry Innovation Plan, and for Tasmania to compete in international wood product markets, secure port access in the south and northwest of the State is essential.

(e) Triple bottom line forest regulation

FT applies a triple bottom line approach to all of its activities. FT considers it essential that a triple bottom line approach is adopted for forest regulation, such that wood supply levels can be maintained. For its part, FT will develop and implement new guidelines that would optimise biodiversity outcomes within the wood supply level prescribed by the TFA Bill. These guidelines would specify that at least 20 per cent of public native forest within the local landscape (about 400 hectares) surrounding each coupe should be retained to provide mature habitat across the proposed Permanent Timber Production Zone.

(f) Transition arrangements

FT is prepared to use its best endeavours to deliver this vision and to maintain a viable enterprise albeit with reduced wood supply levels and a smaller commercial public forest estate. Based on assurances of transition funding, FT has already initiated planning and road construction to reschedule harvesting away from the proposed new reserves, which will require about 18 months to fully achieve. Harvesting of 29 coupes, totalling 837 hectares (0.2 per cent of the proposed new reserves), will need to continue or commence before the end of June 2013 in order to meet sawlog contracts. A further 23 coupes, totalling 882 hectares, are likely to be required between July 2013 and June 2014 although FT will continue to reschedule to alternative areas where possible. If the TFA Bill is passed, FT will forego opening up any further planned coupes within the proposed reserves, i.e. any coupes other than the 52 identified coupes to which the preceding sentences refer.

5. Reserve management

FT accepts that the new reserves will be transferred from State forest to nature conservation reserves managed by the Parks and Wildlife Service. It does respectfully suggest the following issues need to be addressed.

(a) Amendment to Specialty Craft and Timber Zone

The Committee will be aware that the special timbers sector is a vital part of the Tasmanian ‘brand’. A 2009 study commissioned by the Woodcraft Guild Tasmania and FT found that the sector directly employs 2,000 people, with a further 8,500 people involved on a hobby or limited commercial basis. Under its 2010 Special Timbers Strategy, FT established a 100,000 hectare Special Timbers Zone, in which non-clearfell harvesting and long rotations of up to 200 years are prioritised.
In light of the significance of this sector, FT suggests that the Specialty Craft and Timber Zone specified in the Tasmanian Forest Agreement 2012 is further considered. Some 15,642 hectares of the 37,954 hectare Specialty Craft and Timber Zone defined under the TFA was not part of FT’s Special Timbers Zone and is unlikely to contain significant quantities of special timber. FT suggests this area is deleted from the Specialty Craft and Timber Zone and a similar area of forest with special timbers (based on FT’s 2010 Special Timbers Strategy) within the new reserves is identified. This issue needs to be resolved before the gazettal of any new reserves that include parts of FT’s Special Timber Zone. FT understands that the Signatories are already aware of this issue and FT will work positively with them to identify a satisfactory outcome.

(b) Appropriate management for the Warra Long Term Ecological Research Site

The Warra Long Term Ecological Research (“LTER”) Site in southern Tasmania is one of the very few in Australia where long term multidisciplinary research on forest ecosystems is carried out. Over 180 research projects have been established at Warra since 1995 (www.warra.com) and it is now an internationally recognised monitoring site. Two thirds of the Warra Site is National Park (and World Heritage Area) but the bulk of the research has been done in the one third of the Site that is State forest and has vehicular access.

The State forest at Warra includes a meteorological station, hydrological monitoring, a new carbon flux tower as well as innovative silvicultural treatments that are being used to develop techniques for selective logging in wet forests.

To enable this body of work to continue, FT recommends that the selection of final reserve boundaries and World Heritage nominations provide for appropriate management and funding of the Warra LTER Site. In particular, current State forest within the site should become Permanent Timber Production Zone Land.

(c) Provision for access maintenance to multi-purpose forests

As noted earlier, new reserves arising from the TFA will pose a number of infrastructure issues for managers of reserves and the remaining production area. Many of the issues relate to roads and access. The proposed new reserves include about 5,000 kilometres of roads. Most roads in areas that become reserves will probably be closed. However, others need to remain open to allow access for recreation, beekeeping and fire fighting. Importantly, some roads will need to be maintained as arterial roads for commercial transport, particularly for forest products. FT will work cooperatively with government agencies, and particularly the Parks and Wildlife Service to address the likely issues and mitigating principles, which are summarised below.

Encumbered road network

Some of the new reserves will create ‘occlusions’ and ‘bottlenecks’ for access for log transport and other commercial purposes. A particular example is the occluded area of ‘Once off Log, Restore and Reserve’ status conferred by the TFA in the Picton Valley. This area will be fully occluded by new reserves, which will be nominated as World Heritage. Similar occlusions will occur on the western and eastern sides of Ben Lomond National Park.
Bottlenecks to the movement of heavy vehicles are likely between the Florentine and Styx valleys, which will require current safe access to be maintained through new reserves. Another example is the Plenty Link road, which is used to haul forest products from the Plenty, Styx and Derwent valleys to the Huon Wood Centre (Southwood). A band of new reserves has been proposed across this vital transport link and a suitable road easement will need to be identified. Safe access for commercial transport will require current road specifications for clearing width, surfacing and sightlines to be maintained.

In some cases new roads will need to be constructed through new reserves (e.g. Blackwater Spur 7) to allow economic access to production forests where no suitable access currently exists. Suitable road reserves will need to be negotiated and recognised with the reserve manager and established in accordance with the Forest Practices Code and the Reserve Management Code of Practice.

**As a general principle, the road network required to access residual production forests should be uncumbered by the new reserves.** The required arterial road network, and any new roads required to access residual production lands among new reserves, should be identified at the earliest opportunity.

**Reserve buffers**

The new reserves will create a new interface between reserved and production lands. **As a general principle, any buffers required for reserve integrity will be assumed to be within the new reserves** and not beyond them. However, forest operations, including harvesting and associated burning, must not impinge on the new reserves. The onus will be on the manager of forest operations to take all reasonable measures to minimise the risk of incursions into the new reserves. In some cases, this will require managers to set a prudent minimum distance between harvesting and burning operations and adjacent reserves.

**Fuel reduction burns**

The new reserves will include fire prone vegetation types, such as buttongrass sedgelands and heaths, which should be burnt periodically to reduce fire risks and maintain species and habitat diversity. FT and the Parks and Wildlife Service have a good record of cooperation on collaborative burns, although the planning process can be protracted to the extent that burning opportunities are missed. Protocols will need to be established to streamline planning so that fuel reduction programs are achieved. Burning operations will need to be undertaken to agreed standards and timelines.

Furthermore, FT sometimes needs to reduce fuel loads in areas in the vicinity of coupes scheduled for harvest and high intensity burns. This has been a straightforward process when all the lands are managed by FT. If the adjoining lands are to become new reserves managed by PWS, arrangements will be needed so that necessary fuel reduction burning is undertaken ahead of high intensity burning operations. **As a general principle, FT and PWS should**
establish an agreed protocol for fuel reduction burning within the new reserves that are adjacent to residual production lands.

**Anchor points for cable harvesting**

Cable harvesting sometimes requires anchor points to be located well outside the harvest boundary, which can include streamside and skyline reserves. FT has developed strict protocols whereby anchor points can usually be established within reserves, with minimal disturbance to the reserve. If disturbance cannot be minimised then the activity is not permitted. As a general principle, FT and PWS should develop an agreed protocol that allows anchor points to be established within the new reserves as long as there are no other practical alternatives and disturbance can be minimised.

6. **Conclusion**

FT recognises the significant investment by Signatories and Governments in seeking to resolve Tasmania’s long standing conflict over wood production in public native forests. Despite some concern about the lower level of wood supply proposed for the residual commercial public native forest estate, FT supports the Tasmanian Forest Agreement and the Signatories’ Vision for Tasmanian Forests.

Given the potential for the TFA to resolve Tasmania’s long standing forest conflict, FT recognises that the TFA Bill, with relatively minor adjustments, represents a unique opportunity to strengthen FT’s, and the broader forest industries’, competitiveness and resilience, and ultimately stabilise the operating environment for the benefit of all involved.
### Appendix 1: Timeline of major events related to the Tasmanian Forests Intergovernmental Agreement process

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>Feb 2010</td>
<td>Preliminary discussions held about the potential for a new forest agreement comprising an end to native forest logging, new reserves and community support for the Bell Bay pulp mill. These are understood to have involved Gunns, ENGO representatives and the CFMEU.</td>
</tr>
<tr>
<td>20 Mar 2010</td>
<td>Tasmanian State election.</td>
</tr>
<tr>
<td>9 Oct 2010</td>
<td>Greg L’Estrange announces Gunns’ withdrawal from native forest harvesting.</td>
</tr>
<tr>
<td>14 Oct 2010</td>
<td>ENGOs, Industry and Unions sign the <em>Tasmanian Forests Statement of Principles to lead to an Agreement</em>, which refers to a map of High Conservation Values provided by ENGOs and the need for a strong sustainable forest industry that includes a plantation based pulp mill.</td>
</tr>
<tr>
<td>6 Jun 2011</td>
<td>FT provides a report to signatories on Evaluation of Wood Resource Scenarios based on an ENGO claim of 572Kha, that includes 352Kha of production forest.</td>
</tr>
<tr>
<td>22 Jun 2011</td>
<td>Bill Kelty facilitates an unsigned Signatories Agreement which estimates that 360Kha to 432Kha of land could be reserved and the residual public commercial forests could provide a reduced annual supply of 155Km³ of sawlog (down from 300Km³) and 265Km³ of peeler billets. It recommends immediate protection of 430Kha. A verification process is foreshadowed to explore compatibility of these volumes with the full 572Kha ENGO reservation claim.</td>
</tr>
<tr>
<td>29 Jun 2011</td>
<td>FT writes to Bill Kelty to advise that the reduced volume targets are very unlikely to be sustainable if 430Kha of land is made unavailable.</td>
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<tr>
<td>13 Jul 2011</td>
<td>Gunns announces the sale of its Triabunna woodchip mill to Jan Cameron and Graeme Wood.</td>
</tr>
<tr>
<td>5 Aug 2011</td>
<td>Professor Jonathan West provides formal <em>Advice to the Prime Minister and Premier of Tasmania</em> that indicates no insurmountable impediment to placing 430Kha (actually 423Kha) of land into informal reserve until the end of a four month verification process.</td>
</tr>
<tr>
<td>7 Aug 2011</td>
<td>Prime Minister and Premier of Tasmania sign the Tasmanian Forests Intergovernmental Agreement (TFIA) which (among other things) established an Independent Verification Group (IVG) to assess and verify stakeholder claims relating to sustainable timber supply requirements and conservation values and boundaries of reserves from within the ENGO-nominated 572Kha. It is also asked to advise how much of the guaranteed wood supply would need to be met from within the 572Kha ENGO claim.</td>
</tr>
<tr>
<td>9 Aug 2011</td>
<td>FT emails Professor West to indicate that excluding 430Kha from wood production is inconsistent with FT’s ability to meet contractual commitments. FT estimates that reserves in the order of 300Kha, if located to minimise exclusion of regrowth, may be compatible with reduced wood supply targets.</td>
</tr>
<tr>
<td>24 Aug 2011</td>
<td>FT’s letter to the TFIA Taskforce indicates that excluding 430Kha from wood production is inconsistent with contractual commitments. FT estimates 41 coupes are needed from within the 430Kha to meet contractual commitments over the next four months.</td>
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<tr>
<td>Date</td>
<td>Event Description</td>
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<tr>
<td>13 Sep 2011</td>
<td>Tripartite deeds of release executed, by which Gunns' two wood supply agreements with FT are terminated and compensation is paid to Gunns ($25.5M) and to FT ($12.65M) by the Tasmanian government. FT had to write off $24M of Gunns' overdue debt at the same time.</td>
</tr>
<tr>
<td>12 Oct 2011</td>
<td>Independent Schedulers report that FT does need to harvest within the 430Kha area to meet contractual obligations. However, seven of the 41 coupes can be rescheduled until after 31 December 2011.</td>
</tr>
<tr>
<td>24 Nov 2011</td>
<td>FT writes to Professor West of the IVG and reiterates view that reserves in the order of 300Kha may be compatible with reduced wood supply targets. FT offers to work with the IVG to develop a reserve proposal compatible with reduced wood supply targets.</td>
</tr>
<tr>
<td>Dec 2011</td>
<td>Tasmanian Aboriginal Centre initiates discussion with FT about Aboriginal management of any new reserves created under the TFIA.</td>
</tr>
<tr>
<td>31 Dec 2011</td>
<td>Due date for the IVG to provide its advice on verification of stakeholder claims and areas and boundaries of proposed reserves within the 572Kha (the deadline was not met).</td>
</tr>
<tr>
<td>19 Jan 2012</td>
<td>Conservation Agreement signed to provide interim protection for 430Kha 'immediate protection area' except for 43 coupes, amounting to 1,949 ha, which are required to meet contractual commitments to June 2012.</td>
</tr>
<tr>
<td>22 Feb 2012</td>
<td>IVG responds to FT's letter of 24 November 2011 and requests FT to supply a digital map of reserves in the order of 300Kha that may be compatible with resource supply obligations. FT delivers map on the same day.</td>
</tr>
<tr>
<td>1 Mar 2012</td>
<td>Draft MOU signed between Tasmanian Aboriginal Centre, FT and FIAT, re Aboriginal management of new reserves and forest tourism sites. MOU is subject to support from the State and Commonwealth governments.</td>
</tr>
<tr>
<td>23 Mar 2012</td>
<td>IVG releases 2500 pages of reports but does not identify a reserve proposal compatible with reduced wood supply targets.</td>
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<tr>
<td>26 Mar 2012</td>
<td>Professor West releases his nine page Report of the Chairman, which asserts that &quot;Tasmanin's native forests (not including plantations) have been and continue to be harvested substantially above long-term sustainable yield. &quot; <a href="http://www.forestry.org.au/news/articlefiles/1931-Report%20of%20the_Chair-Tasmanian-Forests-Intergovernmental-Agreement.pdf">link</a></td>
</tr>
<tr>
<td>3 Apr 2012</td>
<td>PEFC International requests NCSI (a Conformance Assessment Body) to investigate if FT has complied with the PEFC-endorsed Australian Forestry Standard with regard to Professor West’s assertions of harvesting above sustainable harvesting yields.</td>
</tr>
<tr>
<td>4 May 2012</td>
<td>FT provides its review of the IVG reports to Minister Burke. It points out major deficiencies, particularly with the conservation assessments, and calls on the Australian Government to undertake a formal peer review process. <a href="http://www.forestrytits.com.au/uploads/File/pdf/pdf2012/FT_review_ivg_report_ver_1.4.pdf">link</a></td>
</tr>
<tr>
<td>15 May 2012</td>
<td>Professor West stated to the Legislative Council inquiry into the Report of the Chairman that he had been taken out of context.</td>
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<tr>
<td>May-Jun 2012</td>
<td>Signatories Reference Group (SRG) commissions further modelling work to identify reserve proposals compatible with reduced wood supply targets. SRG puts up various reserve options but no compatible reserve solution is agreed.</td>
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<tr>
<td>Date</td>
<td>Event Description</td>
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<tr>
<td>21 Jun 2012</td>
<td>Tasmanian Government introduces the Tasmanian Forests Agreement Bill 2012 to Parliament but defers debate pending an agreement by the Signatories. The Bill would reduce the minimum annual sawlog supply from 300Km³pa to 155Km³pa and protect the agreed new reserves (once identified).</td>
</tr>
<tr>
<td>29 Jun 2012</td>
<td>Conservation Agreement is extended until August 2012 because the Signatories Reference Group has not yet agreed on a compatible reserve solution.</td>
</tr>
<tr>
<td>3 Jul 2012</td>
<td>The results of the NCSI investigation carried out by Emeritus Professor Ian Ferguson found “In terms of the Australian Forestry Standard, I am unable to determine a rational basis in the Independent Verification Group reports, or related documentation, for the West (2012) assertions about the unsustainability of Forestry Tasmania sustainable yield calculations or practices”.</td>
</tr>
<tr>
<td>25 Jul 2012</td>
<td>ENGOs provide revised reserve claim centred on 522Kha of proposed reserves plus 21Kha of “once only” logging areas.</td>
</tr>
<tr>
<td>15 Aug 2012</td>
<td>Interim Agreement by Signatories facilitated by Ministers Burke and Green. ENGOs asked to moderate their claim. FT contracted to model wood supply from moderated claim.</td>
</tr>
<tr>
<td>28 Aug 2012</td>
<td>Tasmanian Government announces that FT will be restructured into commercial and non-commercial entities. FIAT, AFPA and TCA subsequently suspend involvement in TFIA process because they believe that FT is needed to provide a durable wood supply.</td>
</tr>
<tr>
<td>11 Sep 2012</td>
<td>FT receives another revised reserve claim from ENGOs, which is not materially different from the map provided on 25 July 2012. It proceeds to model the wood flows using specifications set by Professor Burgman / Dr Robinson.</td>
</tr>
<tr>
<td>14 Sep 2012</td>
<td>Tas Govt request proposals under the Tasmanian Native Forest High Quality Sawlog Contract Voluntary Buyback Program.</td>
</tr>
<tr>
<td>20 Sep 2012</td>
<td>Conservation Agreement is further extended until October 2012 because the SRG has not yet agreed on a compatible reserve solution. Six additional coupes within the 430Kha area are approved to meet contractual obligations until the end of October.</td>
</tr>
<tr>
<td>5 Oct 2012</td>
<td>Following intervention by Governments, FIAT agrees to resume involvement in TFIA process until the end of October.</td>
</tr>
<tr>
<td>27 Oct 2012</td>
<td>Media report that the Peace Talks have collapsed because the Signatories cannot agree on a reserve package that is compatible with the proposed minimum annual sawlog commitment of 155,000 cubic metres. Minister Burke indicates he is pessimistic about a final agreement and has taken $100M of Regional Development Grant funds, and a commitment for further World Heritage Nominations ‘off the table’.</td>
</tr>
<tr>
<td>22 Nov 2012</td>
<td>The Tasmanian Forest Agreement 2012 is signed by Signatories after three weeks of informal talks facilitated by the CFMEU representative (Jane Calvert). The Agreement is based on a minimum annual sawlog commitment of 137,000 cubic metres and a reserve commitment of 525Kha (with 395Kha delivered in 2013, and 108Kha delivered in 2015, and 21Kha delivered in 2022 subject to satisfactory durability reports).</td>
</tr>
<tr>
<td>23 Nov 2012</td>
<td>The Tasmanian Forest Agreement Bill is passed by the House of Assembly (Lower House)</td>
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</table>
The Legislative Council defers voting on the Tasmanian Forest Agreement Bill and establishes a Committee to scrutinise the Bill.

<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFPA</td>
<td>Australian Forest Products Association</td>
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<tr>
<td>FIAT</td>
<td>Forest Industries Association of Tasmania</td>
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<tr>
<td>IVG</td>
<td>Independent Verification Group</td>
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<tr>
<td>SRG</td>
<td>Signatories Reference Group</td>
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<tr>
<td>TCA</td>
<td>Timber Communities Australia</td>
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<tr>
<td>TFIA</td>
<td>Tasmanian Forests Intergovernmental Agreement</td>
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</tbody>
</table>
Appendix 2: Landscape management guidelines for biodiversity

Introduction

Biodiversity management must be considered in the TFA process to ensure sufficient land is set aside within the proposed Permanent Timber Production Zone for biodiversity values.

FT has developed a Coupe Context Planning System approach ("the CCPS"), to efficiently and consistently apply landscape level biodiversity prescriptions. The CCPS has evolved from:

(a) FT’s experience with variable retention harvesting and with “forest influence” thinking, in wet eucalypt forests (Forestry Tasmania 2009);
(b) trialling of landscape metrics that have been reported in previous stewardship reports; and
(c) FT’s world leading research (Wardlaw et al. 2012) on landscape level management for biodiversity.

The CCPS is needed to achieve the following.

a) To reduce the cost of practising forestry, by satisfying a range of prescriptions or individual species requirements simultaneously and thereby simplifying the development of Forest Practices Plans (FPPs).
b) To reduce the area of additional “set asides” that would result from future prescriptions that might be introduced by the Forest Practices Authority (“FPA”).
c) To implement FT’s world leading research into landscape level management.
d) To provide a repeatable means to predict environmental impacts on wood supply.

The aim of the CCPS is to apply landscape level ecological principles that are practical and that meet the intent of the many FPA prescriptions for managed forests. The CCPS will simplify and streamline the implementation of biodiversity management processes, and will reduce the environmental costs of wood supply and the planning costs associated with FPP development.

The conceptual difference to current forest planning is that the CCPS approach bases the biodiversity assessment in the local context of operations, not just within the coupe boundary. Landscape metric prescriptions, which describe the configuration of particular attributes in a forested landscape, are applied to a coupe’s context (e.g. across the surrounding 400 ha), to ensure adequate mature forest habitat is maintained at that local landscape level. The coupe context is viewed as a circular zone of influence centred on coupes. As landscape level metrics are prescribed consistently across the landscape, the values that are managed at the finer scale, will be catered for at the broader landscape scale.

Two metrics have been developed, which are discussed below.

(1) Long term habitat retention metric

- At least 20% of public native forest within a 400 ha landscape is retained for long term retention.
(2) Dispersal metric

- Limit the amount of young forest (less than five years old), established after high intensity burning operations, to no more than 50% of public native forest within a local landscape (e.g. 400 ha) at any one point in time.

Long Term Habitat Retention metric

Long term habitat retention will deliver on many biodiversity management requirements. The 2009 FPA Biodiversity review recommended the FPA develop landscape level biodiversity management prescriptions. In response, the FPA developed the Mature Habitat Management Approach (MHMA), which needs to evolve to be practical.

The CCPS long term habitat retention metric focuses on habitat retention for mature forest biodiversity. Retained habitat is based on the simple process of ensuring a minimum of 20% of public land native forest in a 400 ha area around the coupe centroid will be managed for long term retention.

FT’s world leading research (Wardlaw et al. 2012) on landscape level management confirms thinking from elsewhere (e.g. Bunnell et al. 2009; Figure 1), that retention of ~20% of habitat optimises the tradeoff between areas in production and areas set aside for biodiversity values.

Dispersal metric

Limiting the quantity of young forest is intended to address the intent of the FPA’s coupe dispersal guideline. This guideline is intended to reduce the local impact of forestry, which includes impacts on soil, hydrology, and viewsheds.

The CCPS can incorporate metrics that limit the amount of young forest within a localised area, meeting the intent of coupe dispersal without unworkable constraints. Currently FT is developing this metric, and further scenario testing will refine its parameters in terms of scale and attributes.

References

Bunnell, FL & Dunsworth, GB 2009, Forestry and Biodiversity. Learning how to sustain biodiversity in managed forests, UBC Press, Vancouver, Canada.
Figure 1. Ecological value from the proportion of land left unmanaged from Bunnell et al. (2009).

Note that the area circled in red indicates that the retention in a mature condition of between twelve and 22 per cent of the forest in a 400 hectare "local landscape" area, as is proposed by FT under the CCPS, will (based on Bunnell et al (2009)) retain more than 70% of the ecological value for each ecosystem type within that area.