

2013 01 14 Leg Council review of Forestry legislation

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Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012

Thank you for the opportunity to submit to you briefly my evidence, observations and comments regarding the Tasmanian Forests Agreement Bill 2012 and Any other matters incidental thereto.

Firstly I must congratulate to the signatories to Agreement and all those who were involved. We can but stand in awe and try to appreciate the huge amount of work (and no doubt frustration) that has gone in to progressing the TFA thus far. Their work needs to be acknowledged and all participants congratulated.

I have and base this submission on the extensive forestry data that I have and can supply relevant sections if required.

For the past 15 years I have been collecting and categorising data on all aspects of forestry in Tasmania. I have an electronic library of thousands of pages of forestry data and about 20,000 pages of hard copy evidence. Sadly much of it is a damning indictment, a continuous sorry saga of mismanagement, spin, publicly money squandered, waste, greed, and trashing the Tasmanian brand seriously impacting on other industries.

All the briefly stated material in this submission is supported with available detailed information on request that confirms its integrity.

As you may know I have been very involved in forestry matters all my life. Many times I have publicly sounded alarm at wasteful, unviable, unsustainable and destructive forestry policies and what I said and wrote has proved to be correct. Has anyone from forestry or government contacted me to discuss forestry matters? You would know the answer to that. Therefore I thank you for this sort-of opportunity.

Brief Summary of some Forestry Constraints, Cultural and Economy issues today in Tasmania.

It appears that forestry management seems reluctant to take into account some of the following obvious, undeniable constraining basic factors.

- (1) Hardwood trees in Tasmania especially plantations grow at about only half the rate of growth compared to growth rates in some other parts of the world which effectively almost doubles our cost of production.
- (2) Besides being slower growing due to nutrient depletion each successive plantation crop will take longer to mature. Because of this depletion as well as being unviable (especially on soils that could be used for agricultural production) they are unsustainable.
- (3) Even if the growth rates were similar to overseas plantations the cost of production in competing countries is much lower than in Australia, or more specifically Tasmania.

- (4) Our high A\$ is not likely to drop significantly adding yet another constraint barrier to our competitiveness.
- (5) Forestry's dominating political control and lack of proper accountability has diverted and squandered away over \$1B of public money and has only a series of ongoing financial and economy strangling disasters to show for it.
- (6) The empire of pretence of self regulation combining the FPA with PFT operating a cozy closed loop system among buddies is a complete sham.
- (7) Harvesting of forestry by its very nature essentially significantly relies on trust. There being no reliable detailed raw product data measurement makes potential dishonest activities difficult to detect and control. For example a friend with a pine plantation found the harvesting contractor was selling the logs to several different saw mills while only paying royalties on those taken to one. I know there are assessors of standing wood quantity who are reputed to be reasonably accurate but its only an estimation.
- (8) As Deputy Mayor of MVM I can report that forestry (mainly via MIS) has destroyed over 260 locally generated jobs, destroyed about 75 local farms (that are now being transferred to foreign ownership), and is reducing economic activity in our municipality by around \$30,000,000 p/a (that's around \$80,000 per day). Extrapolate that to a state level and we realise what devastating force forestry is inflicting on our communities and economy. Forestry's destruction of farm houses and asset infrastructure decreases values and therefore rates on those properties putting a heavier rate burden on other ratepayers.
- (9) Council would never dream of doing anything like this without several rounds of proper community consultation and dissemination of all data preceded and followed up with expert advice as standard procedure. Thus so much discontent about this bill in the community.
- (10) Forestry's power and authority overrides Council often preventing council from acting in the best interests of the community and local economy. No other industry enjoys such power and authority and nor should it. Sadly forestry has

- used its power and authority in such a selfish and irresponsible manner that continues to impact on our communities and neither the Agreement nor Bill does anything significant to address that costly and unnecessary imbalance.
- (11) Jobs hypocrisy. The much acclaimed jobs in forestry mantra loses its integrity as the industry spends huge amounts of money on imported equipment that reduces the amount of jobs required. (I felled trees with an axe and crosscut saw pulled with horses and a shoe. Then there were seven tonne trucks, now trucks carry almost 40 tonne and travel twice as fast. Now one person can harvest about 25 times more timber per day and that's the loss of 24 jobs. I support progress it's a case of the industry not acting honestly or with integrity.
 - (12) Because irresponsibly managed 'out of control' forestry has been allowed grow to be way over-sized, and harvest at a rate much faster than the capacity of the land to produce quality size timber, there has to be factored in a forest growth catch up period. For the next 10-20 years we should expect only about 500 jobs to be viable in Tasmania's forestry industry with a corresponding reduction in the amount of timber harvested.
 - (13) Overpayment of forestry bosses. For years an alarmingly large proportion of Tasmania's highest paid executives have been forestry bosses. It seems there has been disproportional reward to forestry bosses for the lousy and unviable way they have managed the industry.

I would like the opportunity to convey to you more of the very large amount of detailed background data at my disposal relating to the above.

The agreement and Bill (with some modifications some I agree with) seems to be essentially to continue forestry on as usual. We have been doing that for far too long. Surely we want a sustainable, financially profitable industry. Continuing on making the same basic mistakes will not address the core problems or result in an acceptable or viable outcome. We have a rare opportunity to implement major correction, may you have the

conviction and courage to make the modifications and amendments to set up and facilitate a process whereby major change occurs and the result is a much smaller, sustainable, financially viable, socially responsible, respectful and inclusive forest industry that Tasmanians can be proud of. Over the past year I have noticed the start of a culture change and that's good however there is still a long way to go.

TASMANIAN FOREST AGREEMENT 2012

Overview

The agreement is probably a step in the right direction but it is far from even a basic document to work off in order to put forestry in Tasmania on a sustainable or profitable path. The main reasons are: (1) Basic business fundamentals have been ignored and replaced with wishful thinking, unrealistic expectations or assumptions. Business as usual with a few alterations (which is what the agreement seems to be) will only lead to further failure and waste of taxpayer's money. Fundamental management and culture change is what is needed.

(2) With the latest figures indicating there are less than 1000 jobs in forestry and with over \$1B of taxpayer money given to forestry it works out that every forestry job has already cost taxpayers over \$1M and the agreement is far too heavily dependant on ongoing huge injections of public money that we cannot afford being diverted to forestry.

(3) The agreement continues to give forestry undeserved and unwarranted power, influence and privilege over and above all other industries and businesses that contribute to our economic wellbeing. For example PAL, MIS, FPA, PTR, PFT etc all give forestry unwarranted and unchallengeable power and privilege to inflict damage on other sections of our communities and economy.

(4) Tasmanian Forestry products (eucalypt trees) (a) are very much slower growing than in other countries, (b) our costs are higher and (c) our high A\$ ensures plantations for wood production (not carbon credits) is unviable and will remain so. (d) Add to that ongoing soil nutrient depletion of successive crops makes plantation forestry

unsustainable. Forestry seems to work under the belief (or is it arrogance), that, "truth is what I say it is and don't you dare question my expert and superior knowledge".

(5) The closed loop system of so-called self regulation carried out by the incompetent and totally ineffective FPA must be abolished and replaced with an open and transparent system that actually does apply the forest practices code in a proper, practical and professional manner.

The agreement seems to ignore these basic constrictions that cannot realistically be removed no matter how much more money is wasted on extra training which is all too often used as a weapon to silence those who promote reality and common sense.

Points of discussion

Long-term fully compensable supply contracts

***Shared objectives of the Agreement No. 6.** The Signatories agree that volumes should be made available to industry through long-term fully compensable supply contracts, with legislated sovereign risk protection.*

(14) **Brief Comment** Sorry but no other industry is given this sort of guarantee so why should forestry be able to hold us to ransom especially due to their atrocious record of squandering public money and trashing our brand which is damaging the viability of almost every other part of our economy but especially tourism, investment and population growth. If Gunns had demanded delivery on their very extensive native forest contracts and not handed them back we could have received a very large compensation claim for not being able to deliver on contract. FT published a 50 year harvesting rotation plan (it should be more like 80) but when the total production area was divided by the area proposed to be harvested each year it worked out that the whole area would be logged each 40 years not 50. It just means more juvenile trees would have to be harvested until. Can we have

confidence in management that who appear to have significantly over contracted available production? We cannot rely on the major contract holder to voluntarily hand back their contracts.

Funding Schedule, seven year, research and development program Training and research

No.21. The Signatories also call for the Tasmanian Government to establish and mandate an appropriate forest contractor training, accreditation and licensing system for harvest, haul, silviculture and roading in forest operations.

23. The Signatories call for a properly funded, as outlined in the Funding Schedule, seven year, research and development program centred in the National Centre for Future Forest Industries to underpin the immediate, medium and longer term outcomes of this agreement, with a particular focus on plantations for solid wood supply and manufactured products including engineered wood products such as cross laminated timber. This program should be developed in consultation with the Signatory/Stakeholder Council.

27. The Signatories agree that further developing the skills of workers and managers is an important component of achieving a transition to greater use of plantations. Government, in consultation with the Industry Skills Council – Forestworks, should ensure a focus on skill development to support implementation of plans for a greater use of plantations.

Brief Comment No matter how much more money is wasted on extra training which is all too often used as a weapon to silence those who promote reality and common sense the basic constraints will still apply. Sounds like another public funded forestry project to create more spin to camouflage its continued mismanagement.

Transition to greater use of plantations (Schedule 1 Industry page 49 &50 of the bill & TFA Nos.22-27 & also Attachment A)

Transition to greater use of plantations

22. The Signatories agree on the need to develop and implement a plan for utilisation of the existing and future **plantations** as an integral part of a future forest industry, and an agreed transition plan to reflect the sustainable yield available from native forest on Permanent Timber Production Zone Land. The development of these plans will be overseen by the Signatory/Stakeholder Council, working closely with the Forest Manager and others.

23. The Signatories call for a properly funded, as outlined in the Funding Schedule, seven year, research and development program centred in the National Centre for Future Forest Industries to underpin the immediate, medium and longer term outcomes of this agreement, **with a particular focus on plantations** for solid wood supply and manufactured products including engineered wood products such as cross laminated timber. This program should be developed in consultation with the Signatory/Stakeholder Council.

24. The Signatories call for a review of existing and potential policy **initiatives that will incentivise and facilitate investment in and management of plantations for solid-wood production**, in particular to examine the carbon farming and storage potential of plantations.

25. The Signatories **further call for government funding for direct investment in a Public Plantation Management Fund**, as outlined in the Funding Schedule, to support investment in improved plantation management for the production of solid and reconstituted wood products from existing plantation land to assist with **a transition to a greater reliance on plantations** in Tasmania as necessary to facilitate this agreement.

26. The Signatories call for the **establishment of a Plantation Manufacturing Innovation Fund**, as outlined in the Funding Schedule, to encourage private-sector investment in solid and reconstituted plantation wood manufacturing, **increase demand for plantations managed to supply solid and reconstituted wood**

and to assist with a transition to a greater reliance on plantations.

*27. The Signatories agree that further developing the skills of workers and managers is an important component **of achieving a transition to greater use of plantations.** Government, in consultation with the Industry Skills Council – Forestworks, should **ensure a focus on skill development to support implementation of plans for a greater use of plantations.***

ATTACHMENT A of the TFA 2012 A Vision for Tasmania's Forests Industry

This Vision encompasses:

- 1. 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.*
- 2. A permanent State forest production estate, defined by the Tasmanian Forests Agreement 2012, including both native forests and **plantations** securely tenured and managed for wood production according to recognised sustainability standards.*
- 3. A sustainable annual supply of high and low quality hardwood sawlogs, peeler billets and special species timber from native forest and **plantation** sources on State forests in accordance with the terms of the Tasmanian Forests Agreement 2012.*
- 4. An increasing reliance on supply from hardwood **plantation** sources, consistent with the emerging availability of satisfactory **plantation** resources, technology and markets for **plantations** based products.*

Brief Plantations Comment

As indicated above plantations are a big worry. In the past 60 years have been hundreds of publicly funded tree plantation investment programmes and the question is has there ever been any that paid better than bank interest? My advice is that none have and most have gone bankrupt. I have not read or heard of any that ended up being profitable. Certainly in Tasmania it makes no sense

environmentally or financially to be putting plantations on farmland of any class as to properly farm that land is far more profitable and sustainable.

Yes there is potential for a small well managed, sustainable and financially viable timber industry in Tasmania and I totally support that. The way to get there needs a radical rethink taking all the constraints into consideration. Fiddling around the edges and basically continuing with the present culture I am sorry to report will not deliver the forest industry that is viable, sustainable and not negatively impacting on other industries and our economy.

Suggestion

Can I suggest that advice be sought from the two people who are arguably Tasmania's top forest manager and top forestry financial expert Frank Strie and John Lawrence respectively? For many years they have been exposing in detail what now has become obvious. Sadly our arrogant and divisive forestry culture of at best 'ignore those who dare to say it as it is' or 'we don't talk with those who have something to say that we don't want to hear' has caused huge damage in our communities and we are all the poorer for it and that culture and attitude must change for the better. In other words forestry must listen to its critics*, learn and always be very thankful to them that they care enough and are courageous enough to express what is obvious to them and needs to be addressed.

On the humorous side

I am reminded of the story of the butcher who was asked for a size 2 chook. He only had one chook left and it was size 2 so he showed it to the customer who looked and said she would like a size 3. He took the No. 2 chook out the back and fiddled round the edges and puffed it up as well as he could and presented it to the customer who said "I think I will take them both".

The agreement may be a start but it seems to be too much about fiddling round the edges when what we need is another totally different chook.

Further exchange of information

I have purposely kept my comments very brief but behind most comments there is extensive personal experience. I have data and details available that shows and supports their integrity of all my comments.

If it could be arranged I would value the opportunity to attend a hearing to submit further evidence on the agreement and expand on this brief submission.

To sum up

For far too long forestry has held Tasmania to ransom, strangled a large part of our economy and damaged our reputation. Will we have the will and the courage to get that debilitating weight and control of forestry off our shoulders and out of our checkbook? I think we now have an opportunity to start to do that but it is only a small beginning as neither the agreement or the Bill has the potential to address the really important issues. I sincerely hope you can at least amend the Bill so that at least it can be used as a springboard to effect ongoing major change in both culture and management of forestry in Tasmania.

Thank you for taking the time to read my submission I am happy to provide further information on any aspect or comment as my library of Tasmanian forestry data and information is very extensive.

Yours faithfully,

A handwritten signature in black ink on a light yellow background, appearing to read 'Bob Loone'.

Bob Loone
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I attach 2 of the several advertisements I wrote, financed and published in the papers that shows (a) I was correct to be very concerned about incentives to encourage investments in plantations which the TFA seems to be promoting. Interestingly no one (from forestry or any one else) questioned anything in the ads.

*Most forestry critics (and there are many) are only critics because forestry has left them with no real option but to be critics if they care about Tasmania.

Attachment 1: Copy of full page advertisement fully paid for by my wife and I that appeared in the Examiner, Mercury and Tasmanian Country October 2007.

Attachment 2: 2008 10 28 is a copy of my half page Examiner MIS advert 28 Oct 2008.

I have highlighted parts of attachment 2 that have proved to be especially pertinent.

Attachment 1

Advertisement

Going.....GOING.....GOINGGOING.....G

**The Government sponsored attack on local land ownership.
An urgent and crucial message to all Tasmanians from Bob Loone.**

The latest Private Forests Tasmania figures show an alarming annual increase in hectares of Tasmanian farmland that is being turned into forestry plantations.

The abundance of evidence is clear; Forestry rules and governs Tasmania. This is further confirmed by the appointment of Mr. Evan Rolley as head of Department of Premier and Cabinet @ \$5,250 per week.

Weak, scared, Forestry controlled Governments are supporting the destruction of Tasmania's farms and rural economy to unsustainably grow low value wood, for low value pulp, for a low priced, world market. We are destroying our capacity to produce food, losing ownership of the land that fed us, and closing down our economic viability.

This **stupidity** is facilitated by a combination of at least four Government sponsored, Forestry instigated, Policies, to promote the loss of local land ownership, soil degradation, and agricultural production. They are:

- The Commonwealth Government's **Plantation 2020 Vision**.
- **Managed Investment Schemes (MIS)** financing forestry plantations.
- The State's misleading; **Protection of Agricultural Land (PAL) policy**.
- **Private Timber Reserves (PTR)** a mechanism under the state Forest Practices Act to silence community objections to forestry. This constitutes a permanent rezoning with no satisfactory appeal rights.

Plantations 2020 Vision

The Commonwealth Government Plantations 2020 Vision, launched in 1997, seeks to remove all impediments and public accountability that could hinder forestry from imposing its plans and desires on communities at least until the year 2020, including removing all obstacles in the way of forestry taking over farmland.

Managed Investment Schemes (MIS)

The Commonwealth Government's Managed Investment Scheme (MIS) policy encourages and supports the dismantling of established farms and agricultural productivity. This is driven by 100% tax deductible incentives offered to so-called "investors", who pay highly inflated prices up front, for trees they have no control over, to be planted on land belonging to MIS corporations. This arrangement is extremely profitable for the MIS corporations. For the "investors" the attraction and driving force is the Federal Government's 100% tax avoidance incentive.

The Federal Government is subsidising the purchase, transfer and disposal of our farms and land to MIS forestry plantation corporations.

If normal business principles and economics applied (i.e. no special tax free investments) the rapid expansion of MIS corporations would stop, resulting in loud screams and threats from the powerful, intimidating and dictatorial forestry lobby.

Protection of Agricultural Land (PAL)

We must look after our agricultural land and not promote its fettering to non-agricultural use by MIS forestry, or excessive subdivision, or housing etc.

Forestry clearly is not an agricultural activity. Thus the new spin term *“depends on soil as a growth medium”* is introduced in the revised PAL Policy and used against councils to bully them into supporting the expansion of plantation forestry on all agricultural and rural land. The Plantation Allocated Land, oops, PAL policy is intended to restrict house building on rural land because when MIS corporations get it the house is a nuisance. It appears to all be part of the implementation of the destructive “2020 land grab Vision”. The Commonwealth Government made a clear distinction that forestry is not agriculture when it removed tax exemption status for MIS agriculture but not forestry. Farmers producing food are denied access to the huge amounts of tax deductible money available to plantation forestry.

It is estimated that for every one hectare (if any) the PAL policy may protect, it facilitates the loss of production and fettering of at least 1,000 hectares by MIS plantation forestry corporations.

The PAL Policy pretends to protect agricultural land and sustainable agricultural production while it facilitates the long-term destruction of both. PAL promotes unsustainable MIS plantation forestry that destroys agricultural production. Therefore it denies its name and its claim.

The State Government’s Protection of Agricultural Land [PAL] Policy uses the RPDC to bully and force Local Governments into supporting unlimited fettering by forestry. The policy promotes the destruction of existing agricultural productivity and sustainability in favour of nonagricultural, unsustainable plantation forestry. Maybe the PAL policy should be called the “Plantation Allocated Land” policy. The draft reviewed 2007 version blatantly forces councillors to abandon the welfare and interests of the communities they represent in favour of

facilitating the MIS takeover of their land, ensuring their demise.

PAL is NO pal of Tasmania's past, present or future. PAL is no pal of our environment, people, land, or sustainability. No pal of our agriculture, communities, welfare or economy.

Private Timber Reserves (PTR)

Forestry receives additional privileged protection and exemptions from local planning controls and public accountability under the Private Timber Reserve (PTR) legislation.

These ongoing exclusive privileges, guaranteed by State Government, are not subject to review.

PTRs' legally protect and exempt forestry activities from community accountability for impacts inflicted on the environment, threatened species, water, air, neighbours or communities in perpetuity.

Hectares of farmland lost per year is rapidly increasing

Established farms are rapidly being closed down and turned into unsustainable, non-agricultural, absentee owned, forestry plantations.

In 1997 when the Plantations 2020 Vision was launched there were 4552 (ABS1997) farms in Tasmania. There is evidence that from 1997 to May 2007 up to 1000 farms (about 22%) have already gone to MIS corporations.

The table below shows the rapidly increasing amounts of cleared land converted to forestry plantations over the past three years:

Year	Hectares per year lost to forestry plantations	Increase
2003	1,158	N/A
2004	3,563	205%
2005	6,266	75.8%
2006	16,518	163.5%
TOTALS	27,505	444.30%

Table drawn up using latest Private Forest Tasmania (PFT) data.

If this rate of increase in plantation growth continues until 2020, Tasmania will belong to and be controlled by MIS forestry plantation corporations. Most of our farms and our economy will be destroyed. Some claim that high production land is hardly affected but this is not so. If we consider only land classes 1 to 4, the average increased loss during 2005 and 2006 was 153% pa. If this rate continues, before 2012 a massive 360,955 of the state's 703,109 hectares of land classes 1 to 4 will belong to MIS plantation forestry corporations.

There appears to be no plans, controls or limits on the rapidly increasing expansion of MIS plantation corporations as they unfairly compete for control of Tasmania's agricultural land. Both Government and industry are vigorously promoting the unregulated, unplanned, rapid expansion of MIS plantation forestry.

It makes no sense to be growing trees to make paper when other plants like hemp and/or kenaf can produce four times the quantity of fibre in the same period. The only conclusion we can make is that Government sponsored Managed Investment Schemes are more about the removal of land ownership from local farming families than about forestry. The indications are that it's more about a tax exemption fueled **land-grab** than it is about growing trees.

Council Rates Comparison

Burnie Municipality council rates on farmland owned by plantation corporations ranges from \$7 to \$14 per hectare depending on land class. Farmers on the same land classes receive a demand for \$34 to \$43 per ha. That means that farmers on average pay over 300% higher rates per ha than similar land owned by absentee plantation corporations. Not only farmers but the rest of the community have to pay higher rates to cover the low amount of rates collected from forestry plantation corporations. (As researched by Ald. Ryan.)

Social issues

To maintain and expand Australia's economy whilst ensuring the well-being of Australia's agricultural communities, the nation's farms must be kept in local and family ownership. Already businesses in country areas have had to close. Many of those left are struggling due to the loss of farms and farmers. Schools, shops and other services to rural communities are under severe threat due to population loss caused

mainly by MIS corporations buying up farms, destroying houses and infrastructure, jobs, (C. Dibley past Warratah-Wynyard Councilor research shows on average that for each dairy farm destroyed seven jobs disappear) and general economic activity. The destructive effects also flow over to other industries, e.g. as the loss of the scenic and environmental attractions clearly affects tourism.

The **corporatisation** of Australia's farms means present and future farmers will be denied access to farmland. Australia's current economic boom is fuelled by the extraction of finite, often highly polluting, natural resources. Clearly this is unsustainable. We are losing our land and potential for the expansion of economic activities, opportunities or benefits that land would generate if it was still being used for agriculture. We are condemning ourselves both now and in the future to a lower quality of life with far fewer options. Rural communities, farmers, job seekers, businesses and governments all lose out.

Our capacity for food production is reduced as farms are shut down and the soil is robbed of its water and fertility. Nearby and neighbouring farmers suffer reduced production and increased costs to the point of being unviable.

Environment issues,

Lower rainfall and less sunlight (Global Dimming) is already seriously affecting food production.

The Murray Darling is a case in point. Against that background, to be disposing our land to plantation forestry MIS corporations, lowering the groundwater table, and deny remaining farmers the water that would normally be available, yet again defies logic.

The water requirements of forestry plantations are about four times more than farming. Dramatic reductions in creek and river flows are caused by the removal, at no cost, of huge amounts of water from catchments by forestry plantations. Those who pay for water, like farmers, are denied supply, and are left to suffer the consequences. Chemicals are applied to kill life; they do it efficiently and we see it happen. They are seriously harmful to our health. There are many air, water and environmental contamination issues associated with the application of secretive mixes of highly toxic herbicides and insecticides.

Multi-chemical mixing further increases their toxicity. The heartbreaking effects of chemical poisoning is becoming evident. There are recent reports of forestry chemical contamination in the water catchment that supplies Deloraine, Exton and Westbury, so intense that it has killed the in-stream vegetation.

Economic considerations

It makes absolutely no sense to build expensive dams, or pump and pipe water long distances, when highly productive farms with access to irrigation, even set up with water storage and pivot irrigators, are being destroyed and turned into MIS forestry plantations.

Is it responsible economic management to offer 100% tax free "investments" exclusive to forestry, costing taxpayers around \$600,000,000 per year in lost revenue? That money is needed for health, education or tax relief for lower income workers and families. Is it responsible economic management to promote policies that close down farms, businesses, agricultural production, jobs and communities?

Is it responsible economic management to promote a MIS policy that establishes unsustainable plantation forestry and reduce the economic production of that land by 85%?

Forestry only generates about 15% of the income and economic activity of farms. Compared to agricultural production plantation, forestry reduces the economic activity generated from land by at least 85%. If we add in the losses inflicted on nearby property owners, the figure is much higher.

Unlike a drought or cyclone the production and economic losses are not just for one or two years, but are ongoing, into perpetuity.

The Commonwealth Government willingly gives away in tax avoidance \$3207 per hectare for land purchased by MIS plantation forestry corporations (Robert Belcher research based on Forestry information).

The \$3207 per hectare initial tax loss is multiplied many times if the ongoing loss of GST, income and other taxes that land could generate, if used for farming, is considered.

The huge land ownership of MIS plantation corporations can be transferred to foreign operators via a simple majority share purchase on the stock exchange. Do we want our land and

economy controlled by foreign corporations? Do we like paying extra taxes to drive the destruction of our farms?

Legacy of lament

Forestry accounts for only 1% of Australia's GNP (Australia's Forests 2007). The widespread destruction MIS plantation forestry is causing is totally out of all logical and economic proportion when it only accounts for 1% of our GNP. Without the tax avoidance incentives and other subsidies it would go belly up!

We will long lament the ongoing debilitating losses now being forced on us because of the four Forestry driven Commonwealth and State Government's farm destruction and land corporatisation policies. We look back with sadness as we remember how the Indigenous Tasmanians were dispossessed of their land. Now we are rapidly being dispossessed of it! History so often repeats itself. All the indications are that the accelerating land purchasing by MIS corporations will continue to increase. Already one MIS Corporation owns just on 200,000ha of plantation forestry in Tasmania. (The Australian 18 Sept. 07).

Do you want Forestry to increase its strangle-hold on Tasmania? We must act as a matter of extreme urgency if we wish to retain enough critical mass to avoid closing down more of our food processing and rural services.

Do you remember the haunting words of Federal Liberal MP from WA, Wilson Tuckey who said that Tasmania should be abandoned and turned into a big forestry plantation?

Already far too much of Tasmania has been taken over and destroyed by the Federal Government's tax avoidance driven MIS plantation forestry corporations.

The 100% tax avoidance "investment" incentives (which amounts to taxpayer subsidisation) driving this national disaster should never have been allowed by the Federal Government. It should be removed as a matter of extreme urgency.

What needs to happen?

The Commonwealth Government must remove the 100% tax free subsidy offered on money given to MIS corporations. We must make a strong stand against the loss of our land to MIS plantation forestry

corporations because of the disastrous and long-term impacts it inflicts on our welfare and economy.

The agricultural land destruction and fettering forestry sections of the PAL policy MUST be removed totally and entirely from the policy.

The situation is urgent. Powerful forestry forces appear to control both major political parties. We must put our differences aside and work together. Our farmland is going, our unhealthiness is increasing, and Tasmania's agricultural critical mass is being lost. We have already destroyed much of our potential to be the food bowl of Australia.

Please be aware of the urgency and gravity of this ongoing government inflicted disaster:

"We need to alert more people to the debilitating cancer that is in our midst. We must act; it is our responsibility as citizens of Australia to act to keep our land for our children's survival. Our fathers fought to protect this land for us, now our government is stupidly subsidising the disposal of our children's inheritance. Do we want to go down in history as the generation that willingly lost the land it held in trust for future generations? Are we willing to do what is right and true with integrity?"

To put it straight and clear,

"This is the decisive hour on this crucial issue. It will determine who will end up controlling the bulk of our farmland, economy, lifestyle options and living. Do you and your family want to see Tasmania and Tasmanians controlled by MIS Corporations whose prime interests are to cut costs, maximise profits and be open for multinational or foreign take-over?"

The destruction and losses (there are many more than just those discussed in this article) caused by the loss of local land ownership and its transfer to absentee MIS plantation forestry corporations is facilitated and supported by both our State and Federal Governments.

Almost all of our present State and Federal Politicians refuse to acknowledge or listen. Proper communications and consultations on these issues are denied. I can only suggest that at the coming elections we vote below the line, and give

the sitting members our very last preference. (That could also apply for council elections!)

Sadly we are left with little option but to revert to people power.

*"I call on the people of Tasmania to reclaim our right to democracy, to hold our governments accountable, and to do what is best for our communities. We need representatives who refuse to be enslaved to forestry demands. We need to encourage our representatives **not** to be intimidated. We need new leaders who are **not** Forestry puppets, giving forestry everything they want, while other industries and our communities get the crumbs. At only 1% of Australia's GNP we cannot afford to continue to let forestry be the tail that controls the dog."(Straight from the heart).*

We need to arrange and attend large public meetings to voice our concerns. We must do so for our children, for the protection of what's left of our agricultural land and production, for our lifestyle, environment, and communities, potential and for our economy. We must act quickly. The latest Forestry supplied expansion figures and government policies tell us that unless there is urgent and serious intervention, our productive farms will increasingly continue to be Going,.. Going, ... Gone.

Do we inherit the land from our fathers or borrow it from our children?

For questions, comments or further information contact:

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Advertisement

2017309cyd

Postal address: 63 Sorell St.

Chudleigh Tas. 7304

Attachment 2

2008 10 28 half page Examiner MIS advert 28 Oct 2008.

I have highlighted parts that have proved to be especially pertinent.

Advertisement

Government sponsored Managed Investment Schemes (MIS) are Destroying our Farms

Managed Investment Schemes (MIS) are fuelled by the Federal Government's 100% tax free incentives costing Government (us taxpayers) and our economy Billions of \$ per year.

MIS forestry corporations claim they must continue to receive 100% tax deduction on "investments" in order to continue to expand forestry plantations (thereby destroying our farms, jobs and economy). If those who are promoting MIS plantation forestry are real business operators they would have no objection to having the 100% tax-free incentives removed so there is a level playing field. Besides being unfair to other land users the activities of MIS corporations are already costing us over \$300M per year direct loss, plus over a \$billion lost in income tax and GST each year if that highly productive land was still used for sustainable agricultural production. General economic activity losses would multiply that by about eight times, then there are the thousands of agricultural production jobs that are lost.

Some Local Figures

My records show that just in Meander Valley Municipality over 13,000 ha of farmland is owned by MIS corporations. If we use 200ha (500acres) as the average size farm that's 65 farms, and if the turnover from each farm is \$400,000 per year that's \$26million per year lost to the economy. If each farm accounts for on average 4 jobs, (inc. input supplies and downstream processing) that's 260 good jobs that are lost compared to maybe 50 permanent forestry jobs gained. **That works out that MIS plantation forestry causes at least four to five good agricultural industry jobs to be lost or destroyed for every one extra job in plantation forestry.** Then there is the damage to water availability and lower production imposed on nearby farms. The ongoing economic and community losses are increasing as more farms are bought by MIS corporations and destroyed.

Unsustainable

Unsustainable forestry plantations rapidly depletes (mines) the soil of its essential nutrients and minerals.

All MIS tax exemptions must be abolished.

If our Federal Government cares at all about our economy or sustainable agricultural production it must remove all the MIS tax exemption incentives. Forestry's predictable noisy and desperate spin campaign at the political level to protect their unfair taxpayer funded advantages must be ignored.

MIS "passive investors" are not farmers.

It is misleading for Forestry lobbyists to try and claim high income, tax minimisation, MIS "investors", are like farmers.

The Tax Office regards MIS investors as **passive investors**. Other passive investors have to pay tax on income they invest; yet **MIS** investors get 100% tax deductibility for passive investments.

Unlike MIS so-called “investors” farmers don’t usually hand over their crop investment money to a third party such as MIS Forestry Corporations who:

(a) Control and effectively own the “investment” money.

(b) Use only SOME of the money to plant somewhere or anywhere.

(c) Have control over: how the crop is managed, (d) when the crop is harvested, (e) who harvests the crop and (f) who receives the crop, if one eventuates.

MIS “investors are at the mercy of the MIS corporations

MIS “investors” usually do not know where their trees are planted. They do not get to choose the site, soil type or rainfall area.

Investors wishing to view their “crop”, on different occasions have been shown different plantations in different areas. Where are the truly independent auditors who physically check to ensure each woodlot is not being leased to more than one “investor” at any one time?

Who carries the risk?

MIS “investors” carry all risk of crop failure, including unsuitable land, disease, predators, or bushfires, plus appalling losses of mismanagement and neglect. There are many MIS plantations in Tasmania that have failed. I have photos of some. It’s not just a loss to the investors, but to us, the community, who have given them tax subsidies and then watched our farmlands being “stolen” and vandalised.

MIS corporations get huge profits up-front.

Unlike normal business, MIS corporations acquire (rake, or shovel off) huge profits up front, as the “investment” money rolls in before any crop is established. Further profits can be derived as the “investor” is charged hefty maintenance fees throughout the growing period, and again at harvest for

harvesting fees. Normal businesses have to fulfill some contract, performance, goal, service, work or achievement before making some profit, but not so MIS corporations, they receive profits 'up front' before anything is produced, and then they continue to profit from the "investor".

Its no wonder MIS Corporations fiercely defend their rapid Government sponsored growth and land acquisition, fuelled by 100% deductible "investments".

Investors Total Trust in MIS Corporation

MIS "investors" have no way of knowing what price they will receive for their crop, (if and when it gets to be harvested), or if they get paid for their entire crop, or even if its part of another "investor's" crop.

Farmers, (unlike MIS "investors") do not usually invest in planting a crop primarily to avoid paying income tax.

Some of "investors" money has to be used to plant trees.

Only SOME of the 'money invested in MIS has to be used for planting trees'. Not all of it, as forestry protagonists would like us to believe.

Agents commissions

Do the "investors" know about the 10-15% off the top commissions and agent's fees given to tax accountants and the like for convincing them to give their money over to the MIS Corporation?

Profits from Planting Charges.

It is easy to inflate the planting costs from around \$1,800 per ha to a figure of the up to \$10,000 per ha which is charged to "investors" and which includes prepaid rent and other ongoing costs plus a **big profit** in advance to the MIS Company. This allows much more of the "investment" to be used to purchase and destroy yet more highly productive family farms and jobs in good rainfall areas.

Any money left over from one year's "investments" goes into the companies' profits and therefore is available in the next year to purchase land and continue the pillage.

What's the motivation driving MIS?

The prime motivation for MIS "investors" is the tax deductibility of the "investment". The prime motivation for MIS corporations is the unrestrained, out of control acquisition of land by acquiring highly productive farms. Trees are the bait used to facilitate the process.

MIS is a government inflicted national disaster.

Government sponsored, out of control, tax exemption fuelled, MIS Forestry, is an extremely costly, ongoing, long-term, self-imposed, and unsustainable National Disaster. It is the long term destroyer of increasing amounts of our farmland, agricultural capacity, ground water, creeks and rivers, communities, and economy, both now and into the future. All this talk about trying to drought-proof Tasmania sounds good but makes no sense while (a) farms in higher rainfall areas are being destroyed by MIS corporations (b) Crucial quantities of the small amount of available water in drier areas is being lost to MIS forestry plantations in the upper catchments.

World Situation

World food stocks are at an all-time low. Demand for food is at an all-time high and increasing. We are destroying our farms, our economy, and our soil.

Our Federal Government must take primary responsibility for this ongoing disaster and urgently abolish all those tax deductible incentives that are indirectly strangling the life out of Tasmania's agricultural industry.

Bob Loone

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