

**THE LEGISLATIVE COUNCIL COMMITTEE ON GOVERNMENT
ADMINISTRATION A MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE,
HOBART, ON TUESDAY 19 APRIL 2011**

PUBLIC NATIVE FORESTS TRANSITION

Mr PETER McGLONE, TASMANIAN CONSERVATION TRUST, WAS CALLED,
MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR (Mr Hall) - Welcome, Peter. I think you have given evidence to a parliamentary hearing before.

Mr McGLONE - Yes, a long time ago.

CHAIR - You are aware that what you say in the hearings is protected by parliamentary privilege but any comments you make outside may not be afforded that privilege - they are the basic rules. I think you would have been sent an information pack containing matter for the witnesses.

Mr McGLONE - Yes. I will err on the side of not attempting any defamation!

CHAIR - We only have the one term of reference, and that is to examine and report upon the proposed transition out of native forest harvesting and management in Tasmania, so if you address your mind to that we will invite you to make some comments and then we will go into a Q and A session.

Mr McGLONE - I think what I have to say may take about 20 minutes so I would really appreciate that question time. By all means interrupt me - I used to give lots of talks at schools and I hated talks where no-one asked questions.

I have copies of some of the documents. Our photocopier stopped working yesterday; I have three copies so perhaps I could get back to you with spare copies. I am quite happy to dust my speaking notes up after today and get them to you. As you know, speaking notes are a work in progress so I wouldn't like to give them to you with all my scribbles on them.

Before commenting on the TCT's position on the Forest Statement of Principles and the specific issue to do with the proposal for a transition out of logging public native forests, I want to give a short background. As I am sure all of you are aware, the Tasmanian Forest Statement of Principles was signed on 14 October last year - and I will refer to that as the 'Statement' or 'Statement of Principles'. It was signed by three conservation organisations - the Wilderness Society, Environment Tasmania, the Australian Conservation Foundation - and the Construction, Forestry, Mining and Energy Union and six forest industry organisations. The Tasmanian Conservation Trust was not party to the negotiations, despite seeking to be involved in those, nor was it a signatory to the final statement.

On 20 October 2010, following the State Government being given a copy of the signed agreement, the TCT issued a media release announcing that it had decided not to endorse the Statement of Principles. However, the TCT did not reject the statement. We stated then, and still believe, that the Statement of Principles can be built upon to deliver a truly comprehensive outcome for forest conservation for the forest industry, regional communities and landholders.

The TCT wrote to former Premier, David Bartlett, on 11 November 2010, outlining our concerns and recommendations in relation to the Statement of Principles. This letter constitutes the TCT's policy response to the statement, a copy of that is printed in full in our newsletter. The letter was also sent to the Australian Government, and the letter to David Bartlett was our primary input to the Bill Kelty process. I am happy to make a few comments on what were positives out of the agreement and what we thought was not so good, but I think I should move on.

The TCT's position on proposals for a transition out of logging of public native forests - the Statement of Principles seeks a total transition of 'commodity-scale logging' out of native forests on public land while only leaving open the possibility of small-scale logging for furniture and craft industries. This is, in effect, a ban on commercial logging of native forests on public land in Tasmania. The statement provides no justification for such a move.

We have tried, without success, to obtain the justification from the conservation negotiators. The insistence by some conservation groups on ending logging of native forests on public land constitutes a moving of the goal posts in the forestry debate from the previous commitment, which I believe was pretty well universal, to protection of high-conservation-value forests.

This stance is also inconsistently applied as the cessation of logging of native forests has not been sought for private forests and the differing approaches have not been explained. Ceasing all logging of native forests on public land may have a disastrous environmental impact by shifting significantly more native forest logging to private land, in particular for commodities such as woodchips. Such a dramatic change would also impact on the forestry sector by threatening the economic viability of processing facilities such as sawmills or veneer mills that are reliant solely on timbers supplies from private forests.

The TCT believes that logging of regrowth native forests on public land can be acceptable and, in fact, desirable if appropriately planned and managed. I think it's important to emphasise the fact that we say they can be acceptable and I will have a few comments to make about proposals to improve the Forest Practice Code.

Not only will it reduce the pressure on private forests to maintain viability of the private forest sector but there are also positive environmental advantages to this form of logging if done responsibly and if restricted to younger regrowth forests. Native forests also provide some products that currently cannot be produced from plantations.

Just to sum up our position - and this is the specific recommendation we made to both State and Federal governments in the Kelty process - the TCT's view is that if logging is to be halted across all State forests, it must be done on the basis of a scientific identification of high-conservation-value forests and not an arbitrary opposition to

'commodity-scale logging.' We suggest that the basis for negotiation should be to seek a transition out of high-conservation-value public forests. This has to be done on a precautionary basis, given the lack of complete information available, while leaving open the possibility of continued forest stewardship, council certified logging of regrowth forests and, where possible, that these forests should be used for high-value products.

Ms FORREST - Before you move on. You are talking about high-conservation-value forests, HCV forests, and you are saying that restricting it to younger regrowth - was I correct in understanding what you said there?

Mr McGLONE - Logging ought to be restricted to younger regrowth, yes.

Ms FORREST - So where there are forests that have been logged extensively 40, 50, 60 years ago and perhaps it's been claimed that they were completely destroyed at that time, and now they have grown back since then, they wouldn't fit into that category of the younger regrowth because they have been growing for a substantial number of years?

Mr McGLONE - The history of disturbance isn't the key factor to determining whether they have high-conservation values remaining. If they were logged repeatedly over many generations, many cycles, yes, they probably would be of lower value but the key thing is to have a scientific assessment of all forests, whether they are young or old. I can think of one well-known threatened species, the swift parrot, although it nests in old growth trees, which have to be very old, some of its feeding habitat need not be so old. So regrowth forests of 40 or 50 years old may actually be critical to the survival of that species. However, that will not be the case all across the forest estate.

Ms FORREST - You've indicated a previous assessment hasn't been done. Has it been done at any level?

Mr McGLONE - I am going to address that specific issue.

CHAIR - Peter, the document that you are delivering now, you said it is one of the submissions you put to the State and Federal governments and to Bill Kelty as well, or is it part of that one?

Mr McGLONE - The Bartlett letter?

CHAIR - Yes.

Mr McGLONE - A lot of which I'm referring to is in the newsletter and another document I referred to is in the more recent newsletter.

CHAIR - I'm interested in some of the points you're making and I want to make sure that we have them.

Mr McGLONE - Sure, I'll give you all of what I am reading from.

I want to move on to an issue that really is looking at the impacts on biodiversity conservation, or the potential to conserve biodiversity conservation, if we move forward

with a conservation agenda which is focused solely on a transition of logging out of public native forests. There are also implications for the interests of private land-holders.

The Statement of Principles fails to include a comprehensive and scientifically-based definition of high-conservation-value forests or outline a process for the identification of high-conservation-value forests. If not addressed, this failure will undoubtedly leave much of Tasmania's high-conservation-value forests, predominantly the high biodiverse forests on private land, unrecognised and unprotected. I can go into a lot of detail but I will just emphasise that almost all biodiversity priorities in Tasmania's forests are to be found on private land. Private land has not been given sufficient attention in the Statement of Principles, yet private forests contain the majority of unprotected threatened species habitats, threatened and unreserved forest types, freshwater ecosystems and overcleared landscapes. Although public forests contain some biodiversity values, it is not an exaggeration to say that by ignoring private land the Statement of Principles has failed to address forest biodiversity conservation problems. Nearly 40 per cent of Tasmania's unreserved forests are found on private land and yet the statement makes only cursory mention of them. The statement fails to identify the crucial importance of private land for biodiversity conservation, fails to commit to specific conservation strategies tailored to private land and fails to acknowledge the vital need for governments to provide funding to facilitate these strategies.

On 5 April 2011, Bill Kelty publicly released the Tasmanian Forests Interim Report for consideration. The TCT's initial assessment of the Kelty Report, although there wasn't a vast amount written by Mr Kelty, was that it repeats the most serious flaw in the Statement of Principles by failing to address the need for conservation of biodiversity-rich forests, which are found mainly on private land.

The TCT has provided considerable advice and recommendations to both the State and Australian governments in the Kelty process regarding strategies for private land. I am quite happy to come back to them or field questions. The documents you have go into much more detail.

What are high-conservation-value forests? The focus on public forests over private forests and wilderness values over biodiversity values is a result of who has been involved in the development of the Statement of Principles and the failure of the statement to define what high-conservation-value forests are in an objective manner. In her 7 December 2010 media release, Julia Gillard announced that as part of the proposed due-diligence assessment of the Tasmanian forestry industry there is a need for clarification of 'detail and definitions contained within the Statement of Principles, including high-conservation-value forests'. Given the Prime Minister's request, it is unacceptable and quite perplexing that Bill Kelty failed to define high-conservation-value forests in his interim report. He didn't even attempt this crucial task, despite the TCT discussing this issue directly with him in a meeting and providing detailed submissions on the subject. I assert that Mr Kelty's draft report simply accepts the reserve proposal provided by the groups that are signatories to the Statement of Principles as representing all high-conservation-value forests, and that is not correct. The consequences of Mr Kelty's failure is that we see a final forest deal which promises to deliver a great outcome for forests and wilderness areas, a goal which the TCT supports, but fails to protect forests which are the most important for biodiversity.

The TCT's concerns regarding the approach taken to high conservation value forests in this statement are broadly supported by many scientists working in this field; however most have not been consulted. In fact I am not sure but I probably can say none have been consulted or feel able to provide comment. Mr Rod Knight is one scientist who has ventured an opinion, and that is in the most recent copy of our newsletter that I have given some of you. As explained in the article, Mr Knight has spent the last 20 years running a consultancy business in Tasmania that, to quote him, 'specialises in principles and processes for the identification of conservation values'.

CHAIR - Sorry Peter, where is Mr Knight?

Mr McGLONE - He runs a business in Elizabeth Street in Hobart. I cannot remember the name of his business but I can look that up.

CHAIR - Could you? It would be interesting.

Mr McGLONE - The latest newsletter, the March 2011 edition, has his article in it.

CHAIR - So in inverted comas he is a forest scientist?

Mr McGLONE - He explains his credentials in that article.

CHAIR - Does he?

Mr McGLONE - Yes.

CHAIR - Okay, thank you.

Mr McGLONE - Some of the key comments by Mr Knight, and these are his opinions which we largely support, are that the statement referred only to non-government organisation identified high-conservation-value forests and there was a clear role for the scientific community. Some of the non-government organisation-defined high-conservation-value forests may not have high conservation values and the reverse is also true, that some forests on public land that have not been identified may actually have high-conservation-value forests. So Mr Knight and ourselves share the concern that if the current mapped reserve proposals go ahead as the accepted and only high-conservation-value forests, there will certainly be both some forests protected that possibly do not deserve it and some forests that are definitely threatened by logging and deserve reservation that won't be.

He identifies concerns that there is an overreliance on mapping values and protection by reservation. Many conservation values cannot be broadly mapped and I am thinking particularly of a lot of threatened fauna; I think forest types and flora species are highly mappable. Habitats of threatened species - and I will use the swift parrot again as an example because I know it well - are very difficult to map in any meaningful sense.

Mr Knight goes on to say that the protection of these values will depend on quote 'forest management systems and continuing evolution of scientific knowledge rather than reservation', and I am sure he is thinking there that one particular forest management system is an improved forest practices code. In conclusion with regard to Mr Knight,

reserving forests for little value will actually increase the political and economic cost of protecting those forests which need this type of protection.

I have a couple of quick comments in regard to both the Forest Practices Code and then the reserve system.

Mr HARRISS - Just before you go there, what would be your proposal in terms of any moratorium on logging what might be HCV but which has not yet been determined by a scientific analysis as you propose? What do we do until we properly and robustly scientifically analyse and determine what is HCV and what is not? At the moment, as you are well aware, the ENGOs have identified on the maps what they say are HCV and which ought, if the Statement of Principles becomes an agreement, be locked up, for want of a better term? What happens until we go through the scientific process which you are proposing?

Mr McGLONE - I think an initial comment is that we can afford to make some errors in terms of including more forest than is justified in a moratorium but I think we need to have a really thorough approach before we decide that they are no longer available for logging and ought to be reserved. My submission is focused on what ultimately happens to them is most important and at the moment there is no commitment from the State Government or Forestry Tasmania to reservation of any forests, whether they be identified in that moratorium or not. The values that have been incorporated within the roughly 600 000 hectares that have been mapped - and I should correct what you said - by some conservation groups, not by the Tasmanian Conservation Trust, do include areas which are very important for wilderness protection and there is considerable published scientific information available, particularly from the previous State Government agencies, to support the claim that those areas have very high conservation values for wilderness protection, and we fully endorse that. I would not want to put a figure on what proportion is justifiable and not justifiable. I think the larger proportion of that 600 000 hectares fits into the category of justifiable for wilderness protection. The sort of published documents I am talking about, which I obviously did not bring with me, are previous reports by the Parks and Wildlife Service, some of them going back 10 or 15 years, which have identified where the current World Heritage Area ought to be expanded to include wilderness areas that are not within the World Heritage Area or national parks.

Mr HARRISS - But equally your contention is that through the Statement of Principles there has not been a scientifically robust determination of HCV. There have been some lines drawn on maps that said, 'These are HCV' and the Statement of Principles may lead to an agreement to lock them up. But equally you have indicated, Peter, that amongst that group there may well be areas that ought not to have been set aside through this process because a scientific assessment might find them to be perfectly suitable for logging and in no way compromised.

Mr McGLONE - I was referring to Rod Knight's comments in that regard. But I would certainly share his concerns that, whilst the vast majority of that 600 000 hectares is justifiable, there are areas that have been added in perhaps for local community concern, where the scientific assessment of what is there has not been done. That may only be a few per cent. I am really guessing and I really cannot tell you. But what I can say, absolutely, is that an assessment has been done by a select group of conservation groups

who obviously have involved people with some scientific knowledge who have referred to some scientific reports. But that process is held captive by a few groups. It has not involved us, it has not involved the broader scientific community, and I think that is really vital. The outcome that I have made clear is that whilst the potential is that we will end up with a very good outcome for conservation of wilderness forests, it is not a comprehensive outcome because really major issues like biodiversity conservation have not been a primary concern of those groups in their assessment.

Mr HARRISS - I hear what you say about quoting Rod Knight, but at the head of your presentation - and I was going to discuss it then - you were saying something towards that same end, though, that a proper scientific analysis may in fact determine that some of that which has been identified for HCV may in fact not be HCV and it ought to be available for logging.

Mr McGLONE - I will add, just reading the words that I spoke, that we are erring on the side of caution by saying that if there was to be transition out of all logging on public forest, it has to go through a scientific process. That may surprise us all. It may come up with close to 100 per cent of public native forests being reserved. That would shock me but we do not have access to all the information that the scientific community has and that Forestry Tasmania has, so we cannot give you a clear indication of whether 50 per cent, 60 per cent, 90 per cent or 100 per cent is required. I think that's one of the areas of the process that people have gone through and that we really do need all the available scientific expertise. I think, if we do go through that, I can't give you a definitive answer of what would be left for the forest industry but my guess, informed by discussions with people that understand the logging industry better than I do, is that there are certainly hundreds of thousands of hectares of young regrowth forest on public land; bits of it may be important for some flora and fauna values but it's highly unlikely that all of it is. I do need to be equivocal because the key issue that I'm addressing here is that we haven't gone through an appropriate scientific process. It may surprise and shock all of us; we may end up with far more reserve than we ever expected.

Dr GOODWIN - That would depend on the agreed definition, though, wouldn't it, which is what has to underpin it? If you don't have that, how can you come up with a scientific assessment?

Mr McGLONE - And I know Rod Knight had discussions with Bill Kelty and Bill Kelty wanted Rod to pull out of his pocket his definition and Rod refused. Rod said, 'It's not about me giving you a definition and Environment Tasmania giving one and then you trying to make an amalgamation of them. It has to be a process that is actually run by the scientific community'.

Ms FORREST - Where do you think this process has to sit then? With all due respect, it sounds like there's a bit of buck-passing going on: 'I'm not going to give you mine or I'll give you mine' -

Mr McGLONE - I can give you mine; I've referred to the things that I'm most concerned about: threatened species habitats, threatened and under-reserved forest communities, and I ought to emphasise the protection should have been a priority under the Regional Forestry Agreement and we, in Tasmania, have not delivered on those obligations.

Ms FORREST - It seems that we are at a bit of a roadblock here in that, as Vanessa rightly said, until we get an agreed definition here, it is very hard to look at the science as it relates to an agreed definition. So how do we get an agreed definition? Without that, is it not impossible to undertake the assessment?

Mr McGLONE - I disagree. A much more important step that comes before the search for a definition is that the process itself has to include as a priority the need to define high-conservation-value forests. We thought there might have been a breakthrough as a result of Julia Gillard saying, 'Please, Mr Kelty, do this process but find out what high-conservation-value forests mean'. That hasn't happened. The process has to include an objective to define high-conservation-value forests.

Ms FORREST - That's the point I'm making.

Mr McGLONE - It's a political decision first. I can give you a definition and it means nothing because who is going to take it; who is going to use it; is it going to change the forest Statement of Principles? No. So it's a question of a political decision needing to be made. It's one that we've raised with both governments and Mr Kelty, that the deal -

Ms FORREST - You still haven't had an outcome.

Mr McGLONE - The Statement of Principles never defined high-conservation forests, and Mr Kelty's report hasn't.

Ms FORREST - Did the signatories to the Statement of Principles say it is not their job to do that, to define or establish a definition, that it's the leaders, the relevant minister, the Prime Minister or whoever; it's a political position?

Mr McGLONE - No, I don't think they'd say that because they believe they've actually defined high-conservation-value forests.

Ms FORREST - They believe they have?

Mr McGLONE - Yes, and what's more, I think - and Rod Knight comments on this and he's got some good experience to base this comment on because he was involved with previous attempts at forest deals in Tasmania, such as the interim RFA and the final RFA - that what conservation groups are concerned about, and we are too, is that the scientific community ought to have an appropriate role and in past agreements, the RFA being one, the science gets used and moulded to suit political objectives. I know, and it's quite a fair concern, that the Wilderness Society and the other conservation groups are concerned that if the role of defining high-conservation-value forests is given to some subgroup of scientists, albeit the best available people and the majority of independent scientists, what happens when they produce their report? In the past it's been picked up by governments, manipulated and altered to suit other political objectives. That is a fair concern. It does not mean that we can't attempt to have that dialogue with governments to get a better process, a process where the scientists are left to do the science.

Ms FORREST - Are you suggesting that the Government should be seeking that independent scientific analysis, that that should be the first step?

Mr McGLONE - Yes, absolutely.

Ms FORREST - That has not happened, so aren't we wasting our time until then?

Mr McGLONE - We well could be wasting our time, it is hard to know what is going to come out of this Statement of Principles, and now the Kelty process, but it may have been 12 months wasted.

CHAIR - Are you suggesting, Peter, that we set aside private forests at the moment - which we will come to in a minute - but that all public forests should be assessed scientifically, not just the ones that have been notionally described as HCV at this stage? Are you suggesting that the whole lot should be done?

Mr McGLONE - In the letter that we wrote to David Bartlett, which is in the December 2010 newsletter, we go into a lot of detail on the importance of private forests and the different and varied strategies that could be applied.

CHAIR - I understand that but you are saying that government should do a scientific assessment of all native forests on public land, not just the ones that have been notionally put there as HCV on public land at this stage?

Mr McGLONE - Yes, but the process that deals with private land probably has to be of a vastly longer time frame because you can't just do a study on a private landholder's land without them giving permission and having concern, and it having implications for the management of their forest. The sort of program that would be needed to both try to attain conservation and identify the values really needs to be one that rolls on over many years. Previously the Federal and State governments funded the Private Forest Reserve Program which ran for, I think, five years, and the process of working out what the priorities were continued throughout that five years. But it took a couple of years before they had a really good handle on the areas that they really wanted most to be protected. That work will of course mean that we have a jump-start now. But it is not an easy process to do an assessment; we are talking about 2 million hectares of forest in Tasmania, if you are talking about both private and public land. Those processes would be very substantial.

CHAIR - Can you encapsulate to me why then, if we start talking about forest on private land, there are greater environmental values, if you like, than there is for the public estate?

Mr McGLONE - A brief explanation of it is that the areas of land that were set aside for private freehold land throughout the last two centuries are not representative of all forest communities, forest types. Essentially we settled the middle and the eastern half of Tasmania and there has been a very significant impact upon the environments where we have settled - the areas in the highlands, the west and the south-west obviously we have had a far lesser impact - and the priorities in terms of threatened species are in the areas we have developed, in areas we have had two centuries of impact on.

If you are looking at the areas that are being proposed for reservation, put forward by other conservation groups, they are overwhelmingly areas that are still in the west of Tasmania. So, yes, a lot have important wilderness values -

CHAIR - In the public domain still?

Mr McGLONE - Yes, but in terms of biodiversity values, those forests - and of course they have some biodiversity value - are largely replicated in the existing reserve system. So a lot of the wet eucalypt forests and rainforests that people are often targeting with protests, yes, they have important wilderness values but their biodiversity values - the forest types and the species that live in them - are, generally speaking, well protected in the existing reserve system.

CHAIR - If we go back to white settlement, the eastern part of Tasmania was obviously much easier to clear and settle for agricultural purposes and I understand all of that, but would you not agree that perhaps in the Central Highlands and the eastern part of Tasmania a lot of those private forests have been harvested and managed over many generations and are probably third and fourth cuts? You say that their biodiversity values are still there, therefore what I am putting to you is that the management has been pretty fair in a lot of cases and they could still continue to harvest and manage them?

Mr McGLONE - There seems to always be a debate in Tasmania about having one response to logging or one response to conservation but not multiple responses, and I will not go into detail but I was going to talk about the Forest Practices Code as a system, if we improve it, which can address biodiversity conservation concerns within production forests that are still available for logging. That's not to say that there aren't going to be places we find in future that don't justify being reserved as well. It's not a case of reserve or conserve it within the production forest estate, we need to do both, and we need to do both better.

CHAIR - So you're still saying that a selective harvesting regime, for example, within a lot of those private forests would still be acceptable and retain the biodiversity?

Mr McGLONE - It's interesting, I remember replying to a letter - in fact I have my reply here - from Senator Eric Abetz which I think was in the *Examiner* newspaper towards the end of last year, and he had picked up on some very well-constructed comments by John Lord in the *Examiner* about this exact subject. Now I didn't agree with everything that John Lord said but Eric Abetz picked it up and essentially said that one study looking at John Lord's family property and a select few forest types showed that, 'We can log in any method in any form of forest', and it was not the case. John Lord had never attempted to say that.

There are clearly forest values that mean you cannot log and retain the values. Swift parrot nesting habitat simply has to be left aside from logging. They need hollows in old trees and will not nest anywhere else; they will keep coming back to those areas. Old-growth trees, generally speaking, are going to be values we have to not log. There are other values as well that we can't log such as riparian values, where we should not log right up to streams. There is a lot of biodiversity that can actually coexist with forestry operations but where we're not willing to be equivocal is in saying exactly what type of logging operations and exactly what values, because that's an evolving science.

I will point you towards the report produced by a panel of independent scientists put together to review the Forest Practices Code. They reported, I think nearly three years

ago, to the Forest Practices Authority and made wide-ranging, detailed recommendations on how the code and potentially the legislation might need to change to ensure that we do move towards truly sustainable logging while protecting biodiversity values. If those recommendations are implemented I think we are going to be very close to having the potential to ensure truly sustainable logging. Mind you, I'm sure that has put the wind up some people, particularly some private forest owners, because they're talking about a significant shift in how we manage forests, but I don't have any doubt that that regime would allow for ongoing logging. It probably will exclude logging from many areas and limit clear-felling in many areas.

CHAIR - So just to get this straight, you're not advocating a total shutdown on a lot of that private forest at the moment.

Mr McGLONE - No, absolutely not.

CHAIR - Okay. I suppose the argument could be - and it may well come from some people who own the tenure of those private forest areas - that what you are proposing may significantly reduce the volumes of timber that they may harvest and therefore their income, and that sort of thing, and they may have factored that into their business plan over time. Would you see, then, some sort of compensation being made possible?

Mr McGLONE - No. If we continue the review of the Forest Practices Code and institute stronger environmental protections, that would be what is legally required of all landholders in Tasmania, public and private, so you wouldn't compensate them for protecting environmental values under the forest practices system.

CHAIR - Is that independent review of the Forest Practices Code significantly different from what is in place at the moment?

Mr McGLONE - Yes, and I'm quite happy to provide you with documentation I happen to have here.

CHAIR - Could you table it?

Mr McGLONE - Absolutely, yes. In July last year the Forest Practices Authority, for reasons I can't go into, suspended the review. The publicly-stated reason was that there were too many uncertainties being thrown up as a result of the Forests Statement of Principles process, and nine or 10 months later the Government has shown no inclination to restart the review. We believe that the Statement of Principles process is simply being used as an excuse for not restarting that process.

Ms FORREST - Delaying tactics?

Mr McGLONE - Absolutely, yes. Tim Morris gave us a copy of a letter he had received from Bryan Green in response to a question in the lower House where the minister simply said, 'We can't decide on any forest policy issues you are concerned about that are holding up the review of the code until the Forests Statement of Principles process is completed.' Now, there was no argument documentation provided for why the Government can't walk and chew gum at the same time. Surely they can amend something.

Ms FORREST - Aren't they separate processes in lots of ways? That's what you're saying, isn't it?

Mr McGLONE - Absolutely, yes. There are many things the Government ought to be doing right now, and probably in areas that are more of interest to you than me, in terms of supporting the regional communities and the forest industry. They keep folding their arms and saying, 'We can't do anything, the Forests Statement of Principles process is still underway.' The review of the Forest Practices Code is a statutory review which the Forest Practices Authority desperately wants to reinstate.

Ms FORREST - Can I just ask a question on that? I probably should know the answer to this but I don't. Is the Forest Practices Code something that has to be reviewed statutorily after a certain period of time?

Mr McGLONE - There has to be a statutory review I think every 10 years, but there are -

Ms FORREST - Periodic reviews?

Mr McGLONE - The legislation allows for the authority to suspend the review and their publicly-stated reasons are what I've just said. There are policy and legislative issues that the Government have to address before they can proceed to a full review which would involve public consultation, and the Government has come back saying, 'No, we can't do that.'

Ms FORREST - When did the current Forest Practices Code come in?

Mr McGLONE - It must have been in the late 1980s; I really can't give you a date.

CHAIR - It has had amendments to it as well over time.

Ms FORREST - I am just thinking about the process here. Unless they bring legislation to the Parliament, as I understand it, the review period you can extend once, I think.

Mr McGLONE - I really can't answer that. I'm really not certain. Graham Wilkinson could answer that.

Ms FORREST - We can ask him about that.

CHAIR - Peter, it is often claimed that our Forest Practices Code - or the act as it stands at the moment and the regulations which then follow - is probably the most stringent in the world. Do you agree with that? If not, can you point to other examples where -

Mr McGLONE - I know that Graham Wilkinson, the Chief Forest Practices Officer, would say exactly those words. I think probably the clear proviso is that he has instituted the review and the independent scientific committee that has reported on the code has pointed out many inadequacies in biodiversity conservation. We have a long way to go before we can truly be proud of our forest practices system, but it is possible. I think the that panel, the majority of whom are non-government scientists - I'm not sure if any of them were employed by the forest industry or the Forest Practices Authority, so we're

talking about an independent panel - has done some impressive work which, if implemented, gives us an amazing system that can settle disputes about which areas of forest that are proposed for logging ought not be logged. It would be a scientific process and a far more rigorous process than we have now.

That's a pretty exciting opportunity and we're the only conservation group that has followed this process. Of course we're not 100 per cent happy with it, but we have been encouraging government to continue with it. The Australian Government ought to be equally concerned about it because it is a signatory to the RFA as well. We endorse the need for reservation in many cases but here we also have a process that is ready-made, that in effect is a tool of government which can identify high-conservation-value forests within the production estate and determine proper management outcomes. Within the forest practices system sometimes they will say to log it, sometimes they might say to log it with certain provisos and sometimes they might say there are not significant values affected by logging. It is a system which no other conservation group has engaged with. I think most of the conservation movement feels that if you don't reserve it you lose it, but that's not the case. There are special wilderness values in large tracts of forest that are important for high conservation values where you should set them aside in reserves., but equally there are always going to be forestry operations in native forests in Tasmania and we need a better forest practices system.

CHAIR - You remarked that there was quite a divergence in what's in place at the moment. Can you encapsulate in a few words as to what the marked differences were from that independent group?

Mr McGLONE - Graham Wilkinson has written about this repeatedly. I guess one of the key concepts to think about is that the current system is based on a land-holder, which might be Forestry Tasmania, or a private land-holder, who has an interest in logging an area, they come to the forest practices system and work with them to develop a timber harvesting plan and then they look at what information they have about the special values and come up with a compromised outcome. That is a very poor way of managing species that live across large areas of the landscape and we need to be protecting lots of bits of habitat - and I'm thinking particularly of fauna. If you're trying to protect masked owl habitat, swift parrot habitat, wedge-tailed eagle habitat and the like, you need to consider the entire landscape and not just do a coupe-by-coupe assessment.

What we have found in recent times is that there are more and more cases of particularly private foresters being severely restricted by the Forest Practices Authority or stopped entirely because of threatened species. The swift parrot has popped up time and time again. The reason they are having these problems is that they are only identifying the values at the time they are showing an interest in logging, whereas it would suit the forest industry, I believe, and the threatened species, if we did assessments before someone has a very specific interest and has already coupé an area up. If you do coupe-by-coupe assessment, all you end up doing is potentially irritating the hell out of forestry interests because they are told no right at the last minute or you get a compromised outcome for every threatened species, which doesn't suit them either.

CHAIR - It's been put to us that the resource could be significantly enhanced on private land and a lot of farms would not lose their productive capacity of 10 per cent or thereabouts if it was planted out to either plantation and perhaps potential sawlogs. How do you

think that would fit in a private land tenure in an agricultural situation at the moment and then the potential to harvest that later on?

Mr McGLONE - I am not a forester, but I can tell you that if you are talking about expanding the current area of plantations on private land, I think a lot of the changes that are needed to the Forest Practices Code would have to apply to plantation development as well. There are clearly existing concerns, both environmental and social, with plantation development. Some of it is extremely emotive and comes from people who live near plantations who go to live in secluded rural areas.

CHAIR - I am probably talking more about small woodlots on the north-west coast with higher rainfall and higher fertility lands and if a landowner decided he might put in five or 10 hectares of blackwood, for example. We plant blackwoods at home but we do that for aesthetic reasons. What would be your take on that, and then the potential to harvest it?

Mr McGLONE - I cannot tell you about forestry issues but certainly there is no reason to believe we cannot plan plantation development to have minimal impact on neighbours, minimal impact on the environment. The small scale you are talking about ought not be a problem.

CHAIR - Even though that might develop in time, even a short time, some conversation values and some habitat?

Mr McGLONE - If it leads to clearing of existing native vegetation, yes, that would be a severe problem.

CHAIR - No, I was not talking about that; I was talking about putting it on land at the moment. There might be parts of a farm which are unsuitable for agricultural production for grazing or cropping because it is not quite arable.

Mr McGLONE - I really do not feel confident to comment in detail.

CHAIR - Okay, fair enough.

Mr McGLONE - But one thing that you bring to mind is that one of the other striking changes that have been talked about in relation to the forest practices system is a great reduction in the maximum coupe size. They are also talking about having far less of a proportion of each catchment logged per year than currently is the practice. There were examples sighted in the panel's report that some subcatchments in the north of Tasmania had 40 per cent of remaining vegetation logged within a 10-year period. That is a far more intensive regime than, for example, Forestry Tasmania talks about in terms of the whole State. They are talking about 1 per cent per year of the total State. Those issues need to be addressed and two ways they have put forward are reducing the maximum coupe size and reducing the proportion of a catchment that can be logged in any given year. There were many other recommendations in relation to water protection.

Ms FORREST - With regard to when the RFA came in and the acreage was locked up or reserved at the time, in your opinion was there a proper scientific analysis done of those forests that were reserved, such as you are suggesting should occur at this time? If not,

would it be reasonable, if you are going to undertake and define what we are talking about and then do a scientific assessment of every area within Tasmania, that even those areas that are currently reserved should be included?

Mr McGLONE - Gee, that is a controversial thing to consider - undoing history. I think the short answer about the RFA is that there was some excellent science done and the areas that were reserved were found to have very significant values. We just did not go far enough. The State Government has never been compliant with its conservation targets in relation to the RFA. Primarily, where it is underperforming is in relation to threatened species habitat and threatened forest communities, which are overwhelming on private land. That is where they are underperforming. The idea of undoing reserves is extremely controversial.

Ms FORREST - Or subjecting them to an assessment at least in accordance with a process that should unfold, as you suggest now. I am not saying necessarily to unlock them, but should they not be subject to it?

Mr McGLONE - I like to think I am a bold thinker but I wouldn't go there. Remember that revocation of all reserves sits with the Parliament and it would be debated reserve by reserve through both Chambers. You guys would have to be willing to answer for it, and I do not think you would have a good case, regardless of the evidence and even if you could mount a really good scientific case, which would need a lot of resourcing by the government. It would still be extraordinarily controversial. You have people who obviously love visiting those places, tourists who love visiting those places in many cases, industries that could be based on those reserves, scenic values that may not be scientifically viewed as that important but people see those reserves as part of their local landscape. Gee, I wouldn't want to be sitting in your seat.

Ms FORREST - I was more interested in your opinion whether there had been as rigorous an assessment on a scientific basis as you are now demanding occurs through this process before we make any decisions about what should or shouldn't be excluded from active -

Mr McGLONE - Based on a very long, vague memory, I believe it was. I remembering following, at some distance, the whole process but I didn't come prepared to answer that.

Ms FORREST - If that process was used then, why can't that same process be used now?

Mr McGLONE - It could, but the reason being used by both governments is that the government hasn't entered the process yet because it has all been left to industry, union and conservation interests.

Ms FORREST - So there is a lack of leadership?

Mr McGLONE - Absolutely there is a lack of leadership, because eventually the Government has to step in and start deciding what it wants. The Kelty report, with Bill Kelty's unique, vague terms of expression, I thought was suggesting that Government now needs to step in and start giving some commitments to things such as committing to protect certain areas, otherwise we will not get to a final deal. Then Bryan Green said the next day, 'Government can't have a role yet; we've got to wait until the end of June when Kelty delivers his final report'. The media simply don't pick that up. I think Bryan Green

was contradicting Bill Kelty. Bill Kelty quite rightly was saying, whether you agree with more reserves or not, something very logical, that government has to step in and say whether there is any potential for new reserves at all.

Ms FORREST - How do we assess that?

Mr McGLONE - They have to have some in-principle support for that, otherwise Kelty was saying we're not going to get to an agreement. Bryan Green just walks away and ignores it, as he is doing with rural communities, forestry jobs and private land-holders who are still worried about implications for them.

Mr HARRISS - My take on this, without any further analysis, and I understand that, can only be that the RFA identified comprehensive, adequate and representative reserved areas and that sufficient areas were contained in reserves as scientifically identified then. As the term says, 'comprehensive, adequate and representative'. If I take that as a given for the moment, notwithstanding that you have indicated that the State has not met its obligations in full under the RFA -

Mr McGLONE - Absolutely.

Mr HARRISS - why then wouldn't the process into the short-term future accept that the CAR systems are appropriate and adequate for now, until we go through a further scientific analysis being proposed by you to identify HCV?

Mr McGLONE - That was a very long question but I think the answer is yes, I agree.

Mr HARRISS - So you agree that the RFA CAR was robust and identified sufficient of threatened species?

Mr McGLONE - I would prefer to come back with a prepared position on what was good or bad about the RFA, and there are some very detailed issues there. In answering Ruth's question, certainly that process did not lead to reserves that were unknown or poorly known; there was a very good scientific knowledge of the values of those areas. I am not going to give a quick yes, that was a great model.

Mr HARRISS - The rarest forest types through that process were wholly protected?

Mr McGLONE - No, not at all and as has been explained before, the very rarest forest types are overwhelming found on private land where some of them are naturally rare but most of them are rare because of 200 years of clearing and other impacts, and the numbers jump out of my media release here that grassy viminalis forest in Tasmania is a listed threatened community under State law. Seven per cent of the remaining area is currently reserved, 91 per cent of what remains is on private land and 2 per cent of what remains is on crown land or public land; it is not reserved.

CHAIR - Could you provide that to us?

Mr McGLONE - It is in the package there and you can go through others that are slightly less extreme. Silvata forest, for example, is about 80 per cent of what remains on private land.

CHAIR - Peter, we have to call it quits for the moment. Depending on the committee's view, we may have to request that you come back again -

Mr McGLONE - Absolutely, yes.

CHAIR - because there are other matters that we need to explore.

Mr McGLONE - I did feel that I had to prepare in some hurry, too.

CHAIR - We do appreciate your coming in and I thank you very much for that.

Mr HARRISS - Chair, in terms of the process into the future, I wonder whether Peter might be able to dot point on e-mail to Stuart the other matters which he thinks are imperative for the committee to be aware of from TCT's point of view. It might help us make some decisions about how long and where and how it fits into the process.

CHAIR - Yes. Are you happy to do that?

Mr McGLONE - What are you asking me to do, sorry?

Mr HARRISS - Just if you could dot point the other areas that you have not covered yet.

Mr McGLONE - Sure. There is one that I did not get to at all - the implications for any forestry deal on the management of our reserve system.

CHAIR - Okay. I am sorry, we will work out a process.

Mr McGLONE - Sure, that would be appreciated.

CHAIR - I thank you very much for that. I appreciate your time.

Mr McGLONE - Thank you.

THE WITNESS WITHDREW.

Mr GEORGE HARRIS WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - George, welcome. You are aware that the evidence you give is protected by parliamentary privilege; however, outside it may not be. You have the explanatory letter with that.

Mr HARRIS - Yes, I have.

CHAIR - We will have to keep very well to time so we will be succinct. We have had quite a bit of stuff from you; thank you very much for that. Members have had time to digest that. I invite you to make a presentation.

Mr HARRIS - Thank you very much, I really appreciate the opportunity. I have prepared some documents of which there are five copies. I only have five copies and I will hang onto one and make the others available. I certainly will not read all of that. There are nine pages and I think I have thrown the kitchen sink in there as well. I have not proofread it since I finished writing it early this morning so I hope I am not transgressing the oath already.

Laughter.

Mr HARRIS - I have a number of timber samples here. I have an example of my work which is a jewellery box in fiddleback blackwood and Huon pine and upholstered with leather. I welcome you to have a look at that, if anyone would like to.

CHAIR - Could we have one of those each, please.

Laughter.

Mr HARRIS - Of the timber samples that I have, I have perhaps one of Tasmania's now most rare and valuable timbers which is tiger myrtle. Not all myrtle has tiger in it. I believe that it is restricted to only certain areas in the north-west. As I say, it is now our most rare and valuable timber and I believe, although I have not been able to verify this, that a guitar made by an Australian guitar maker recently sold internationally for \$42 000. I also have some other timbers which you would all be familiar with, such as figured blackwood and blackheart sassafras, veneer et cetera, that I make jewellery boxes and so on out of. They are there for you to examine. There is some more tiger myrtle and some ordinary red myrtle but it is hardly ordinary. This piece, which I've brought along for the purpose of demonstration, is native forest eucalypt. This is an extremely valuable timber. I believe there can be no substitute for native forest hardwood, especially for higher value uses such as furniture, cabinet making and for windows and doors and things of that nature, because it is strong, it is stable and it is beautiful. Why would you turn your back on something like that?

This is a piece of eucalypt that is a lot more figured and for the sort of work I do is fantastic. There is no way you can get that from plantation. In fact, I don't believe you could get a piece of timber of that width out of plantation timber because the very motivation for plantation timber is that it has a short lifespan.

Mr HARRISS - That piece of oak with the grain that you are showing to us is really tight.

Ms FORREST - So it is obviously slower growing.

Mr HARRIS - Yes.

Ms FORREST - That's what gives it the strength, isn't it?

Mr HARRIS - Yes. You can see I was making a door out of that. Yes, there is no substitute for that and there is much more employment in making available this material. If you have a look at a price list from any sawmiller, such as McKay's, as I did probably about five years ago, and if you calculate a block-stacked cubic metre, say 250 by 50, four boards wide, 20 boards deep, a metre in length, that equates to a cubic metre. If you calculate the price of that it is around \$5 000. Now, no way would a cubic metre of that get anywhere near it.

Ms FORREST - And 'that' being?

Mr HARRIS - That is unpruned plantation nitens. You can see the checks in it. I believe you already have a reference to Chris Harwood's article from the Cooperative Research Centre. It is an eight-page document comparing the properties of timber from native forests with plantation nitens. I had a conversation with Terry Edwards and I believe it may have been attached. The Cooperative Research Centre research into plantation nitens was trying to get around the problems of internal checking and surface checking. They found that if they produced the timber at about 9 millimetres thickness that it was less obvious. The characteristics make it timber that you would not use.

I have some maps which I would like to tender as evidence. I also have this document, which is nine pages, which I just propose to pick a couple of points out of. It gives a brief introduction and my background and the things that I'm involved in, including that I've been a full-time, self-employed woodworker for the last 29 years. I appear in my own right, although I am a member of those organisations I specify. But the major point I wish to make is that a transition out of native forests for timber harvesting is neither necessary nor desirable; in fact the opposite is the case.

A well-managed native forest timber harvesting and processing sector cannot be replaced in terms of economic, social and environmental returns by a plantation timber industry in the short, medium or long term; that is my belief. While plantation-sourced timber may expand in its contribution in the medium and longer term, the native forest-based sector cannot be abandoned. No transition is possible for the activities based on Tasmania's unique special timbers. The presence of an industry based on Tasmania's special timbers is worth far more than the net value of its trade. It goes to the very heart of the essence of Tasmania. It occupies iconic space in our artistic, cultural and heritage landscape and contributes significantly to tourism-induced commerce and employment. It is a fundamental part of the Tasmanian brand. I have then listed the special timbers that are unique and endemic. Special timbers are the basis for the highest value-adding achievement of the entire timber industry and these species are the basis for a manufacturing industry that directly employs 2 000 people in FTE positions, of which I am one, and a further 8 500 people engaged in related activities either as a hobby or to a

limited commercial extent. These timbers cannot be substituted by any other timber. They cannot be produced in plantations either.

I have some copies of the study that that quote comes from, which is the review of the Tasmanian woodcraft sector. I was one of two people who encouraged this study to be undertaken. We did it in conjunction with Forestry Tasmania, which made available some money out of the Community Forest Agreement. I will also refer to and table copies of the special timbers strategy.

Special timbers are an inalienable part of an industry that comprises furniture designers and manufacturers, wood turners, sculptors, musical instrument makers, wooden boat builders and the craft shops and galleries that are an iconic element of our tourism and visitor experience. The combination of stunning materials, brilliant design and flawless execution have raised Tasmanian-made timber products to the equal of any that can be found anywhere on the planet. Special timbers are an intrinsic part of the Tasmanian brand and share the stage with our fine wines, full-flavoured beers, superfine wool, leatherwood honey, quality apples and berry fruit varieties, Atlantic salmon and endemic fish and seafood species.

The recent Australian Wooden Boat Festival is a reminder of just how special our boat-building timbers are. The three significant ones are Huon, celery top and King Billy. This festival is not just about museum pieces, magnificent though they are; it is just as important for new work, keeping skills alive and creating new opportunities. What a tragedy it would be if new work in wooden boats could only come from imported timber and plywood and if boat builders could only stand and watch as the magnificent local trees grow old, die, fall over and rot on the forest floor. Contemplate the value to the local economy and the significance to the tourism industry that the wooden boat festival has become and the contribution made to it by the nature and reputation of an endemic boat-building timbers.

The making of musical instruments is emerging as a significant activity. In terms of dollars per tonne, musical instruments probably bring the greatest return of any downstream-processing activity in Tasmania. For example, for a violin weighing about 450 grams - and the leading Australian violin makers receive about \$12 500 for their orchestra-standard instruments - that equates to more than \$27 million a tonne. I challenge anyone to beat that.

Mr HARRISS - George, looking at the Statement of Principles, transition to commodity - that is, non-speciality forest industry out of public native forests and so on - that wouldn't transition to access that kind of specialty timber out of native forests, would it?

Mr HARRIS - I believe that the impact of the transition, as it is appearing, would have a devastating impact on the whole sector. I believe tiger myrtle, which only grows in limited areas, we would struggle to provide. It is like all special timbers, you can't harvest them where they don't grow. In the maps all the pages are the same and the four pages cover the four separate regions. The maps on the right are the maps that are in the rear -

CHAIR - George, just to clarify - you are tabling that?

Mr HARRIS - Yes, I am tabling that. I am also tabling this copy of the Special Timbers Strategy. Of course, the maps on the right hand side of the page are the ones that are in the strategy. The maps on the left-hand side are part of the HCV claim by the ENGOs and if you go through each of these maps and compare the purple area on the right with the area on the left, which on the first page appears as this yellow colour, then you can see the extent to which the Special Timbers Strategy of 100 000 hectares is compromised by this claim. You can go through and identify -

Ms FORREST - So the purple areas on the right-hand side indicate where these special timbers are?

Mr HARRIS - Well, what they actually identify is the area that's been set aside in the Special Timbers Strategy. There are some special timbers outside of that area but they are much more limited.

Ms FORREST - When you say 'set aside' what do you mean?

Mr HARRIS - This, in purple, is the area specified for management under the Special Timbers Strategy which means no clear-fell or burn, so it means 200-year or longer rotations; it is a management prescription specifically for the long-term management of special timbers.

Ms FORREST - So selective logging and that sort of thing.

Mr HARRIS - Yes.

Ms FORREST - Selective harvest.

Mr HARRIS - Yes. Of the other areas, there are some forestry coupes, some of which have been harvested in recent years and some of which may or may not contain special timbers to any significant extent. On page two of what I refer to here, even some of the significant area for the provision of Huon pine salvage material to the east of Macquarie Harbour, in the Teepookana Plateau - even that is targeted for inclusion in these high-conservation-value areas which I find unacceptable and a threat to the future of this sector, which I emphasise at this moment directly employs 2 000 people and a further 8 500 people engaged in it either as a hobby or to a limited commercial extent, and that is the highest participation rate of any State in the Commonwealth.

Ms FORREST - George, to clarify on the second page, regarding salvage in the Teepookana area, as I understand it, you are only allowed to salvage Huon pine that has fallen over.

Mr HARRIS - Yes.

Ms FORREST - Okay, so it's not growing any more even though it could have growth occurring around it.

Mr HARRIS - Yes. There has been a moratorium in place for over 30 years that means that very little or close to no live Huon pine is actually cut down. That area, the Teepookana Plateau, has been visited on numerous occasions in the last 150 years and in the early days when they were after boat-building timber, they cut the trees a fair distance above

the ground because they were only paid for the straight timber. These days, the stumps and the butts and the burls are the things that the cabinet-making and the arts-based industries prize the most and, of course, that is what is being harvested or gathered from salvage at this time.

If you look right through those maps you can see the same story throughout, and that is that the high-conservation-value claim severely compromises the Special Timbers Strategy and I believe puts a threat to the future of this industry.

Ms FORREST - It also means you couldn't take dead trees out.

Mr HARRIS - No. In fact there seems to be - and it's included in my evidence at some point through here - that high-conservation-value forest means something different in Australia than it does in other parts of the planet. Overseas, unless the area is specified as a protected area, on a lot of occasions you can retrieve timber from high-conservation-value forests. The management objective in those places is that, as long as the conservation values are managed for and are not compromised by the way in which timber is removed, then such timber can be removed, but here, high-conservation-value forests are promoted as an absolutely no-take zone, which I just cannot accept.

CHAIR - Are there any countries that have that process in place?

Mr HARRIS - I think it is in quite a lot of other countries. It is the case, I believe, in the United States and Canada; under the conditions of the oath I cannot be more definitive, but I believe it is widespread.

CHAIR - Okay.

Mr HARRIS - The other maps that I have include the high-conservation-value claim and the policy document with which the Greens took to the last State election and that, in turn, is derived from a document originally produced by Timber Workers for Forests in 2004. Again, if you look at what is proposed there, I am still a little hazy on interpreting some of this but I indicate this as an area that needs further investigation but I believe that this further attacks what is likely to be available to this industry arising from this policy stance. I know that there are others who are likely to give evidence that can clarify this further.

Another point I would like to make is in relation to this HCV claim, where it lists quite a lot of World Heritage Area extensions. I would like to remind the committee that it is only three years ago that we had a visiting delegation come to Tasmania from the World Heritage Committee to investigate the claim that was promoted then that Senator Christine Milne was prominent in, calling for the World Heritage Area to be extended. That was investigated by this international expert committee and they pointed out that the World Heritage Area that was the subject of the original declaration included within its boundaries buffer zones to protect the basis on which it was awarded that status, and they found there was no case to extend the boundaries at that point, which is, as I said, three years ago. They also concluded that the area was being adequately managed. So why now are we going through this?

I also have some other maps. This is printed on my monochrome printer but it is a graphic indication of the expansion of reserves since 1981 and you can see extent to which reserve areas have grown and I would say that that has been within the lifespan of one fairly average crop of fairly average plantation timber.

I would also point out that with the covenants on private land we now have a situation where more than 51 per cent of the State is managed for conservation. I believe that is already manifestly excessive and part of the circumstances we are in the moment arises from fact that we have already locked up more forests than we ever should. I believe that instead of looking at locking up more reserve for the sake of reserve, we should be looking at how we manage it. We can have a pretty comprehensive examination of that but I would suggest that a lot of the management we have had in place is more than adequate. I will do a little further sketch -

CHAIR - Yes, if you could do a wrap-up; I am sorry to cut you short of time but we have to do that.

Mr HARRIS - No, that is okay. There is a comprehensive amount of information there. I have mentioned in here about musical instruments. A friend of mine has started making guitars only last year and these are being made in Hobart. He even rolls his own metal in the frets, and this is one in figured myrtle. He has sold a guitar to an international blues artist, a Canadian, who travels internationally and lives in Sydney, Australia for three months of the year and he is promoting his guitars internationally.

We have a violin-maker in Burnie, who some of you may have heard of, who was originally born in Spain, went to a conservatorium and joined the Philharmonic Orchestra straight after finishing at the conservatorium and played there until she emigrated to Australia in 1993. At the age of 23 she won a scholarship to go to Italy and train at the Stradivari Violin Making International School and now she is based in Tasmania. She came to Tasmania in 2005 and she is now doing a PhD at the University of Tasmania investigating the properties of Tasmanian timbers for making stringed instruments, and there is a reference to that here somewhere.

The next article, which I believe I have included, is one that appeared in the *Truth* newspaper in 1946.

CHAIR - In the *Truth*?

Mr HARRIS - Yes, remember that.

CHAIR - We're going back a bit there!

Ms FORREST - What year?

Mr HARRIS - 1946.

CHAIR - A great publication.

Ms FORREST - You read it then, did you, but you weren't born quite then.

Mr HARRIS - The article is about Jean Heather - her married name is Jean Burgess - who is in her eighties and living in Geeveston, still alive and well. During the war years a lot of the men were away and at the age of 16 Jean had the left-handed axe position and was milling timber. That's what that article is about and it's a ripper.

Ms FORREST - Would have been factual if it was in the *Truth* I reckon, wouldn't it?

Laughter.

Mr HARRIS - The thing about this is that their activities are well documented there. This article deals with timber harvesting in an area that is now claimed as high-conservation-value forest. Just to give you an example, those are the Heathers' leases - you can see the south coast, you can see Lion Rock, Recherche Bay is off to the right. They extended their tramline and that is right where current claims are that this is high-conservation-value forest. In fact, if you could see these together on the same page, you could see just where they overlap. But that I offer as evidence that, despite the fact that we've been harvesting our forest for decades, it magically is material that can now be described as high-conservation-value forests.

CHAIR - George, we are going to have to pull stumps there. Thank you very much for your evidence and all the stuff that you have tabled there, and that will give us time to digest a lot of that. We do appreciate your coming and providing us with information.

Mr HARRIS - Thank you very much for the opportunity.

THE WITNESS WITHDREW.

Mr MARK DAVID LEECH, FINE TIMBER TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Thank you very much for coming, Mark. I invite you to make a presentation.

Ms FORREST - Can I just ask if you are going to table a copy of your PowerPoint presentation at the end of it?

Mr LEECH - It's 37 pages long, so I have not printed it all.

CHAIR - Thank you, we did get a submission from you. I would invite you to make some comments please.

Mr LEECH - I thought I would introduce myself not by way of bragging but just so that you have an understanding of the depth of my understanding of the use of special timbers in the State. I am a wood turner but I am a trained professional forester. I have been involved for nearly 35 years since graduating. On top of that I had childhood in wooden boats on the Tamar River. I got involved in cabinet making under my first district forester, Peter Bennett, in Queenstown.

In the early 1980s I helped establish Circular Head Fine Timbers, a community business which was the precursor to all the modern island speciality timbers businesses. I co-founded and built Touchwood Gallery in Stanley and a wood products business, having resigned from the Forestry Commission as it was then, now Forestry Tasmania. I was accepted as an international guest resident wood turner at a polytechnic in the former East Germany for a 12-month period but I declined it. I established and managed special timbers on farms as a regional forester for Forestry Tasmania.

I developed a burl veneer from dry forest after I left that organisation. I was a Director of the Tasmanian Wood Design Collection. I have been a Director of the Australian School of Fine Furniture. I was a winner of the Tasmanian World Forestry Day Awards and that was particularly from my involvement in and promotion of special timbers. I was a Director of the Forest Practices Authority, I was and am currently a Director of Private Forests Tasmania, but I am not here in that capacity. I co-developed a unique chain of custody under the Australian Forestry Standards that is owned by an organisation that I helped develop called Fine Timber Tasmania and I am here as the secretary of that.

Further to that, because I am speaking intergenerationally, I have four beautiful daughters and eight grandchildren. The focus of my talk will be the long-term nature of forestry and particularly the management of native forest.

I have a slide show that is actually a bit more of a picture show.

CHAIR - That was an interesting summation of your life; is there anything you have not done, Mark?

Mr LEECH - That is only a bit of it. I have called the talk 'Native forest - a future by design' and I believe Tasmania has so often in contemporary terms been called the Design Island

and I have a relationship with the Design Centre in Launceston and I was speaking to the retail manager there recently, and he said, 'If we do not have special timbers, we do not have people coming into the shop.' That is really the reason for the trade. In a traditional sense Tasmanian forestry was pretty basic products back in the day - that is, split posts to more traditional markets of framing timber. We have moved on but we still provide framing in a major way for housing. The rest of the slides now until we get to more talk are just images. The catchcry for that product then was 'Straight is Great', and it really wasn't looking at appearance, it was more structure.

This image is an under-storey musk from the wet forest, not necessarily rainforest. You can't tell from looking at the outside of things until you have that knowledge what it might manifest as internally or as special timber. This is horizontal scrub, just sticks in the bush that have an intrinsic special value.

CHAIR - Is horizontal scrub the stuff I have tried to beat through at different times?

Mr LEECH - Yes, that's it - you fall through it.

Ms RATTRAY - Yes - and scratch yourself and get leeches all over you.

Mr LEECH - I had a business producing wooden buttons from that scrub back in the 1980s.

To demonstrate how the woods are used in different forms, that image is of veneer lighting used in a tabletop in a decorative way, similarly here detailing different species. These are from a current exhibition of Toby Muir-Wilson, now an internationally-renowned designer/maker in the State. These are images of small products, which are the bread and butter of many.

George has alluded to the value of musical instruments - this is Tasmanian blackwood, highly figured, can't be grown in plantations. I have a background in farm forestry and growing special timbers on farm and growing blackwood is, with the greatest respect, a rich man's passion. It is very expensive to get on-time silviculture and to get good outcomes. To get the decorative element, that would require a lot of research and from our current knowledge base we can't produce that. That is highly regarded in the US where kola, a species from Hawaii which is also an acacia, was their preferred wood for the backs and sides of guitars, and now Tasmanian blackwood is taking precedence and it is more readily available to them.

We have exemplary design in small products and furniture which holds its own anywhere in the world. It's not necessarily just the species, but if that was made out of plantation veneer it wouldn't look anything like that. We have people represented in international collections, Toby Muir-Wilson being an exemplar. We have technology shifts from this, which is 'Don't throw the baby out with the bathwater' This is Morrison's Mill on the deck at Strahan and it is a great tourist attraction.

One of the things I talk about in any native forest talk is the ability to discover new things. When I was a young forester in the 1980s we couldn't even sell myrtle as pulpwood. The bushies called it 'tiger cat' and said it wasn't fit for pulp. The numbers there relate to pulping trials at the Burnie mill, so the science was saying it wasn't pulp. It's incipient decay so it's part of the decay process, but now it's tiger myrtle. That has

only been discovered in the last 20-25 years. It wasn't fit for pulp in the past and now, as George has explained, it's perhaps one of the most expensive woods in the world.

We have stuff made by our renowned Kevin Perkins in the wood design collection that travels internationally. How can we sustain something into the future that maintains the street cred, if you like, and provides future employment and career opportunities for young people?

I believe that the forests can be managed innovatively and we need that right through the value chain, from actual forest management, and we are seeing that with things such as aggregated retention, minimising the clear-fall opportunity. We are seeing it in things like much smaller coupes in wet forest, albeit there are issues there with fire management, worker safety and risk. I was a community facilitator for a design group that designed alternative forest harvesting in the Warra and I can tell you that single tree selection in wet forests is not on but we can use a smaller coupe approach but the management of fire and worker safety is paramount in those large timbered forests.

Technology is fundamental to this at all ends of the spectrum, both in the forests and in the workshop and even in the marketplace. The swing ticket on this is from our chain of custody which is certified to the Australian Forestry Standard. It is globally unique and is the only hypothecated chain of custody in the world for a specific purpose as a special timber, so it's not just generally across the product range but this is for Tasmania's special timbers.

As I've alluded to, we have innovative approaches to changing and managing silviculture across the forest estate, not just in tall old eucalypt forests but in all the forest estate and training is fundamental. So why bother? This is a view of a private forest that has native forest in it as well as plantations and in the foreground of that shot is a blackwood plantation.

I believe to maintain the landscape character of the State across both private and State-owned forests we need to be able to manage all the estate. I believe by managing the forests well we will gain a social licence, it will not just be by locking it up and leaving it. I believe we have a mandate to steward and manage well to leave our forests in a better condition than when we received them and this won't happen by turning our native forests into national parks. It will happen through active, sympathetic management and a vision for the generations.

CHAIR - Are you amenable to questions now?

Mr LEECH - George has already given you a lot of detail and you have a lot to digest so I would prefer to answer questions if that's okay.

CHAIR - Jim has a question.

Mr WILKINSON - Sorry I was a bit late, Mark; I got here just at the start of your show so I did not miss much of what you were saying. In relation to your expertise, did you go through your expertise with the committee before I got here?

Mr LEECH - Yes, I did. I have had 35 years of involvement in the industry. I have just given them pretty much the special timbers focus but maybe you want to go back through it.

Ms FORREST - No.

Mr LEECH - I am a trained professional forester and also a professional wood-turner. I developed a gallery in Stanley back in the 1980s, had the first crack at fine timber recovery back then and have been through the whole show, right through to this point now where we have the island speciality timbers business units of Forestry Tasmania. We have a chain of custody which I have co-developed and George is the president and I am the secretary and I am here as the secretary, not as Mark Leech necessarily.

Mr WILKINSON - In relation to the intention, I suppose, of some, it is to lock up the forests and your belief, as I understand it, is that would be a very bad decision for a number of reasons?

Mr LEECH - Yes, I think that would be fundamentally bad, especially where it comes to special timbers. People talk about being able to close the forest down fundamentally and then access some small areas of special timbers, but it will not work. We cannot sustain it, we cannot afford it. From the morphology of the tree you cannot pick tiger myrtle, for example. You may be able to pick some figured trees because it manifests in the bark, you may be able to select some burls because they are very obvious, but the things of an internal decorative nature are very difficult to select. If we do not have a forest industry that is paying for the infrastructure that infrastructure will deteriorate, and the special timbers users who are using some 10 000 cubic metres simply cannot sustain the infrastructure that we require to access those forests. If the State produces 2 million tonnes of wood and we've got 10 000 cubic metres of special timber, mostly as arisings - and with the greatest respect to management we try and find areas that won't give us a big flash in terms of volume - if you consider that it is arisings then any reduction in that broader context will just decimate the availability of the small amount of high value stuff.

Mr WILKINSON - By 'arisings' you mean growing timber?

Mr LEECH - Yes, it's a bonus. We're going in to manage the forest for the majority of what the forest presents, and that's lower value product, albeit some of it is solid timber but not the highly decorative end. The highly decorative end is a very small percentage of what we harvest. In the slides I showed you something of discovery, and even in the eucalypts I believe there is a great opportunity for discovery. Some eucalypts manifest in colours like orange and you don't see it anywhere because it's probably a structural defect, because our focus has been on structure not appearance. But if we can change some of that focus to identifying some of these other opportunities, we will discover things that we don't know currently.

Mr WILKINSON - If it is locked up, what is going to happen to an industry like yours?

Mr LEECH - It will shrivel or wilt on the vine.

Mr WILKINSON - How many people does it employ at the moment, approximately?

Mr LEECH - About 2 000-plus full-time equivalents. I am a consultant so my woodturning at the moment is a secondary business, but I'm represented in the Design Centre and Artisan Gallery at the moment.

Mr WILKINSON - In relation to Tasmania's reputation, not only interstate but also worldwide, can you just expand on that, please?

Mr LEECH - The special timbers are seen as a signature for the forest industry. The stuff that we've seen is world renowned. I travel extensively and you could go to a gallery in Berlin or in New York and still not see the quality of stuff that you see when you go into the Design Centre in Launceston. Our stuff stands alone. It is excellent. We've had tertiary education in design and making for several decades, some of it more contemporary. So we are producing people of a very high standard of design and skill ability, and they need the resource to be able to complement the work they do or the ability that they have.

Mr WILKINSON - You are a forester and you have been for many years, what is your view in relation to the way Forestry Tasmania have cared for our forests from the time that you can remember?

Mr LEECH - When I started out it was pretty ugly. We didn't have a forest practices code, so I started as a pre-forest practices code forester, but we did have a thing called harvesting guidelines, which we tried to operate in. But I would say that we have a forest practices system in this State almost equal to none in the world. The World Bank uses our chief forest practices officer with the blessing of the board to train other nations in Asia Pacific, so that's testimony in itself to the quality of the systems that we have in place. I would contest that the scale has probably not been beneficial to special timbers management. By that I mean large-scale coupes and potentially the 300 000 tonnes, which has put a driver in the system that maybe does not allow us necessarily to recover special timbers optimally, but often there have to be compromises. I believe that with more specific contractor training we will be able to optimise special timbers recovery by putting the right people with the right gear in the right operation.

CHAIR - Taking off your hat with regard to fine furniture and putting on your hat as a trained forester, with regard to that 570 000 hectares or proposed HCV forests, what do you think? What in your view is the claim at the moment of what will happen to those if they are closed up?

Mr LEECH - I'm not as familiar with the maths as George. What is an HCV forest? To me it is grab bag, an inappropriate way to go about it. We had an RFA, we had a comprehensive and adequate reserve system proposed. We have conservation measures on private land. Outside the main reserve system we have a forest practices system that reserves within, operationally, a lot of land. Sometimes more than 25 per cent of an operation will be set aside and it is the landowners giving it. I suppose you have had those guys in and I am part of that as well. Nevertheless, we give, give, give and it is within the system and outside when we have lock-up. It is time we look seriously at what we are giving away. Under the State economically, we cannot afford to do this.

Ms FORREST - What does it contribute economically? How much of the State's gross domestic product would it contribute to?

Mr LEECH - Special timbers?

Ms FORREST - Yes.

Mr LEECH - About \$70 million. That is as it currently stands.

Ms FORREST - You said if it transitioned out then it would wither on the vine, so you are effectively saying there would be \$70 million less or thereabouts?

Mr LEECH - Some 2 000 FTEs, 8 500 culturally engaged people, whether it be sideliners, part-time income-earning people, people that may or may not be at Salamanca market and people who have a passionate interest. The baby boomers are retiring and buying a lot of equipment and having a play in the shed. There are some social issues involved with this that are really fundamental and important. It is a tragedy.

I have a daughter who is 19 and who has asked me teach her woodturning. She wants to be a doctor but she also wants to turn wood. I have eight grandkids and I would love to be able to show at least one or two of them how to be involved. As a trained forester, early on in native forest where we had long-term vision, that was our training - 90 years minimum. I contest that we need in some areas a couple of hundred years and in other areas probably not more than 90 years.

Ms FORREST - I know you have spoken against any transition out of native forest, but if there were to be some change - and it seems the art of achievement is often wrapped up with the art of compromise - then do you think there is any period of time over which you could reserve extra areas? We have heard from Forestry Tasmania and others that they would need that amount of time to transition into more plantation-based products and things like that. I know that you cannot get your stuff out of a plantation, I absolutely understand that, but is there a time frame that could achieve access to specialty timbers and still see some further reserved?

Mr LEECH - We have never had a review based on special timbers. We have had a review based on science but it has never had a serious look at special timbers.

Ms FORREST - When you say you have had a review based on science, what are you referring to there?

Mr LEECH - The science of ecology, of conservation, the RFA. Special timbers was an element of it but it was not a focus. For us to say that we can move the goalposts in a certain time, we would need more time to review what we are looking at. I could not tell you because we are looking how to identify some of these things, because, as I have said, there is the respect to the kind of resource that are arising. They come through the operation. So to be able to go into a forest and go beyond just knowing what species it is, to say this is tiger myrtle, this is figured blackwood, this is hobnail eucalypt, this is teardrop blackwood, this is flame myrtle, and this by an assessment in the forest, then that is a paradigm shift from where we are now.

Ms FORREST - I guess that happens at a point in time too because trees grow and we are talking about long periods of time. I asked Peter McGlone about when the RFA was negotiated and then signed off. Was there an adequate scientific assessment of the forests that were locked up or reserved at that time?

Mr LEECH - To my knowledge, and I was pretty involved in this whole process, it was as thorough as you are going to get anywhere. We had a bevy of scientists. We had the Commonwealth involved and looking over our shoulder to make sure we were doing the right thing. We had a community process that engaged the community in all that we did and I think we came up with a very robust system.

Ms FORREST - So why wouldn't we apply that same process to this new look at what is allegedly more than 500 000 hectares?

Mr LEECH - I can get very cynical about this whole process. I believe that we've been driven into this by someone who wants to establish a pulp mill and has shaken hands with the Greens and has taken us down a path that I'm very uncomfortable with. Sorry.

CHAIR - That puts it in black and white.

Mr LEECH - No, seriously.

CHAIR - Any further questions to Mark?

Mr LEECH - I'm happy to answer e-mails.

CHAIR - Anything you'd like to say in conclusion?

Mr WILKINSON - You are obviously an expert in your area, Mark, and you were very much a part of the RFA. Can you just give me a whistle-stop tour of the RFA because sometimes it's forgotten as time has passed. If you could give us a whistle-stop tour of that it may be able to be used in evidence.

Mr LEECH - Well, I was a farmers' advocate during the time of the RFA -

Mr WILKINSON - You were what, sorry?

Mr LEECH - I was the forestry policy adviser to the TFGA so I was more looking after that patch rather than looking at the State forests. As I understand it, it was a very thorough look at the estate with some mutually agreed definitions and criteria for which we went forward. So there was that whole phase of trying to define what we were comparing with and that was the three, 17, 99 - or for whatever reason - forests. Then we looked at representation within reserves currently and those reserves had to have some IUCN - International Union for Conservation of Nature - category to be acceptable and there are various levels of reservation status under the IUCN categories. Some of them are a fair way from national parks but they are management reserves, if you like. So we had a very thorough look at the logging history of the State, of the current reserve system across forests - I wouldn't call it forest types because they were more ecological units; we were looking more at the ecology rather than just the forest structure and age - and across tenure. So we very much looked at the private estate and given that the private estate is

seen as being under-represented, the forest types that occur on private land tend to be under-represented in formal reservation but that's been addressed through the CAR reserve system and those measures that have been put in place for private land conservation.

Across the estate, I believe it was a very rigorous and robust process that, sure, can be refined, but it's a very good starting point.

CHAIR - So just to encapsulate, you would not agree with the statement that the RFA process was done by a group of government scientists, if you like, who came to a conclusion which was then manipulated by government?

Mr LEECH - No, I don't agree with that.

CHAIR - Thank you very much for your evidence, Mark. It was most enlightening and interesting and we really appreciate your time.

Mr LEECH - Thanks very much.

THE WITNESS WITHDREW.

Mr LUKE MARTIN AND Mr SIMON CURRANT, TOURISM INDUSTRY COUNCIL OF TASMANIA, WERE CALLED , MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Welcome gentleman and thank you very much for coming in at short notice; the committee appreciates that. You are aware that the single term of reference is to inquire into and report upon the proposed transition out of native forest management and harvesting in Tasmania under this round-table process. We have taken evidence from a plethora of people and because tourism often comes up in the context of competing values with forestry and that sort of thing and people have different interpretations on that we thought it might be useful for you to come in and give us your view, and particularly Luke in your new role, and Simon with what you have done in terms of tourism ventures commercially and everything else. We will hand over to you if you would like to make a few comments and then allow the committee to ask you a few questions.

Mr MARTIN - We had a pretty good briefing about what you were seeking for us to offer and the way we will proceed is that I will give a bit of historical background about what we have done in relation to the current negotiations. My predecessor, Daniel Hanna, did quite a bit of work so I will give you a run-down on that and then Simon, both with his background as president and also his own personal experiences in relation to this area, will probably add where he needs to.

To give some context to the TICT I know you are all familiar with the organisation but it represents around 2 000 businesses, 60 per cent of which are outside the capital city. I think that is important - tourism is a regional industry and something to not lose sight of. It is worth \$2.4 billion a year - the new figure that came out last week - which puts us on a par with forestry as the State's largest private-sector industry and is responsible for around 26 000 jobs. There are some strong partnerships with government that are quite unique in the context of these sorts of processes. We have a joint business strategy with the Government that has been in place for about 14 years, which is Tourism 21, and industry and government are working on the same objectives around growing tourism. We also have a protocol agreement in place with the Government which determines how we work, negotiate and deal with government, which is unique. I think credit is due to Tourism Tasmania. In my experience working with a number of other industry organisations Tourism Tasmania is effective without having to be often the mouthpiece organisation in the media to get things done.

The historical context is important to where we are leading to and to where tourism fits within the forestry conservation debate and the TICT's work in that. If you look back, Tourism has walked a pretty successful, effective and often difficult line of being in a middle-ground position between the two sides of the historic conservation and forestry debate. The TICT enjoys a really positive relationship with both the forest industry and also the environmental groups. In 2003 the TICT signed with Forestry Tasmania, Forest Industries Association Tasmania and Private Forests Tasmania a tourism forestry protocol agreement. That enables some processes in place for raising issues around regeneration burns, information around clear-felling sites and information about how to deal with the impact of forestry on the tourism experience. In fact there is a meeting tomorrow which has on the agenda issues around the regeneration burns at the moment,

so it has been an effective and, I think, mutually successful and beneficial process for the industry to have. At the same time, we have strong informal relationships with environmental groups, particularly Environment Tasmania and the Wilderness Society. That has been key to what our involvement in the current process has been based on. We always recognise - and as you point out, Greg - tourism is often an easy lightning rod in this debate and the common complaint is that if the tourism potential of these sites is better protected it will prove a greater economic generator for the State than its current use as forestry. However, at the same time, there is a frustration in the tourism industry - and it is something Simon could probably elaborate on - that often trying to achieve a tourism development or activity in some of these sites once they are protected is very frustrating. We see some current examples at the moment with the Crescent Bay development on the Tasman Peninsula and also Three Capes where, despite a sentiment that ecotourism development is the way of the future for Tasmania, it is often the same groups which put up every barrier imaginable to facilitate that development.

In relation to the current process, we endorsed the Statement of Principles in the Kelty negotiations late last year and said so publicly through a media statement in January. We wrote to the State and Federal governments endorsing the process on the basis that we thought that it was an opportunity to secure a meaningful, long-term debate to the forestry conservation debate but also there was potential to create a new rule book about how we facilitate growth and development in some of these sites in tourism activity and commercial development. As part of that, my predecessor Daniel Hanna maintained close dialogue particularly with the ENGOs around this issue of what format and framework might work for these protected sites to facilitate greater tourism activity. We have maintained that negotiation and passed on some of those comments to Mr Kelty.

As far as the industry sees it, the issue that we think needs to be warranted in the current context is the tourism value of some of these sites. We have an industry-wide view that the tourism value is potentially greatest in the sites that border onto the World Heritage and national park sites, given that they have infrastructure in place through Forestry roads. There might be a capacity to facilitate some level of tourism activity bordering on some of those World Heritage sites. Beyond that, I have always said the smaller-scale ecotourism developments might emerge out of the transition of the native forests. However, I think it's a fair reflection across the industry that for any suggestion that there will be an overwhelming embrace of tourism activity or emergence of tourism activity in these sites once they are protected is perhaps a naive view of the commercial realities in some of the sites and also the barriers that have been put up around land management to facilitate that kind of development once they are in place.

The other issue that we have put to Bill Kelty that needs to be considered in the context is about this infrastructure issue, the capacity to allow small-scale infrastructure, whether it is walking tracks, interpretation and signage in some of their sites if there is tourism value, who is going to pay for and facilitate it? I can see a common problem at the moment in some of the sites that Parks manage where the tourism values diminish because Parks does not have adequate resources to invest in the infrastructure that visitors expect. Our key message has been that if there are to be more areas protected and if you want to facilitate tourism activity, there needs to be some financial capacity and resources for the entity that manages those sites to invest in the tourism experiences that we need.

Mr WILKINSON - We hear often, 'Let's not do anything with these forests. The tourism value of them is exceptional'. You hear it time and time again, especially with the environmental groups. Can you give me any idea as to how many tourist operators have started up and started using what they say are high-value tourist areas in the forests?

Mr CURRANT - Virtually none within the last 10 years. The reason for that is denial of access and then the process you have to go through. There has been a lot of inquiry from people who want to run very small businesses bringing small groups into these areas in a controlled way. Every time they look at the process they have to go through in order to achieve that - they might take a few steps, and a few of them have - and then they say, 'Oh, my God, I'm out of here'. So the reality is that is usually because under the jurisdiction of those areas the process is like a rocketship wiring diagram to travel through, and I have absolute personal experience over 14 years of that with Pumphouse Point.

What is the demand? I would say the demand is latent - that is really the way to put it - because they are put off by the process and lack of access. The antis in this only want access the way they want it, which is denying everything unless it is on foot.

Mr WILKINSON - Can you run us through the Pumphouse Point experience please, Simon?

Mr CURRANT - I can. Pumphouse Point originally was under Hydro's control and not part of the World Heritage Area. The access to it was not via the World Heritage Area, and it is only just on the edge anyway. But in their wisdom - Peter Hodgman was the minister at the time - they decided to put Pumphouse into Park's control, which then immediately put a process in there, albeit that there are existing buildings and an existing track there - it is part of the area completely denuded anyway over 30 or 40 years by keeping it all mowed down. The process then became extraordinarily difficult and tortuous.

I started on it 14 years ago. I achieved the lease on the site nearly six years ago and I started on the path of getting the approvals in place to do a very small development there with very minimal impact, et cetera. It has taken me literally that long to get to the point where I am shovel-ready now. Even so, I know that there have been FOIs on my 'What am I going to do' stuff still going on, mostly from the TNPA - the Tasmanian National Parks Association. There is an organisation with 70 members who are also trying to create havoc on Three Capes and did try on Crescent Bay, and they have kind of succeeded. I also add, for your knowledge base, they use a free legal representation through the national environmental protection - I forget the name.

Mr HARRISS - The Environmental Defenders Office.

Mr CURRANT - That's the one. So here am I having to go to hearing after hearing, which I had to do, buying in experts, while they sit in there with a free lawyer and a free expert representing no-one, except 70-odd people, and they are spoilers. I could go on for a long time but in essence I am very dogged and I keep borrowing more money to put into it. I am shovel-ready now, but that is what it takes.

CHAIR - On the other hand, Mr Wilkinson might give you some pro bono.

Laughter.

Mr CURRANT - Yes, I'm sure he could.

Ms FORREST - Luke, you made a point about putting things into reserves and then who looks after it. In your view, who would be the person to look after it? We have heard that Parks have additional lands or responsibilities they seem unable to manage in an appropriate way - that is a resourcing issue and nothing to do with you, obviously - but who do you think should have that responsibility?

Mr MARTIN - Ruth, that is what we were getting to which is, I guess, our main point out of all this process, about determining who the appropriate agency is that will facilitate the commercial development. I guess my understanding from Simon's experiences, certainly in relation to the process we are going through at Crescent Bay, where it is not actually part of a national park but the resistance has been about the fact that the development can be viewed from a national park, is that Parks is not the appropriate entity to facilitate this type of expansion of commercial activity. What the entity therefore is, whether it is a new Forestry Tasmania or whatever, I've been in this role for five weeks and on a daily basis I'm saying, 'Look at what New Zealand does,' because it's a reality in this area. The Forestry Parks Authority facilitates commercial development, whether that is forestry activities in some form or just the commercial use of forestry parks.

Mr CURRANT - I will just butt in there to say that the Canadian model is worth looking at. They have forest parks and national parks.

Mr MARTIN - So different layers of qualification. I don't pretend to be an expert in this area, but the reality is if they were national park quality you would assume that they would have been protected already. If they are the next level down and require a different level of protection, then that should be a different entity. We would be concerned, based on past and current experience, about the potential to facilitate any type of development growth. If it was a commercial agency, a new version of Forestry Tasmania, you would assume that as part of their management and leaseholding of these resources there are areas where they would create the commercial capacity.

Ms FORREST - There has been some suggestion that FT should be changed and have their timber management harvesting - the operational business side of it - separate, and then this other area, which some call the community service obligation area, where you have fire management, management of reserves, that is separately supported by a different process because it's a drag on their bottom line at the moment. Should they then be looking at charging people to use those services? Is it a user-pay sort of thing that needs to be implemented here? If that is the case, wouldn't that be better to sit with the commercial operations of the forest management, the harvesting and the like?

Mr MARTIN - I think the broad message is that in its current structure and under their current commercial arrangements Forestry Tasmania is not the appropriate entity to achieve tourism outcomes and tourism commercial activities. We would be resistant to that, with National Parks or a broader Department of Environment or something doing it as well. So we need a third new emerging entity that allows that and has the commercial basis to generate, whether it is through access, long-term leaseholdings, user pays, entry fees or whatever.

Ms FORREST - We have heard that Tahune, for example, is commercially profitable. Some others aren't, but we should look at the ones that are and different models are being used now. Dismal Swamp has a different arrangement now. If you implement a user-pays type of arrangement, could that then all sit within the commercial section of Forestry? Setting up another agency or another department would mean costs associated with that as well.

Mr MARTIN - I guess we would have to review Forestry Tasmania's operandi and how proactive they are in actually facilitating this kind of capacity. There are varying views about how successful they are in their current commercial activities in areas of tourism. Tahune is one example and Dismal Swamp is another, I guess. So whether it is under a new model structure, shareholder, letter through Parliament or whatever from a minister, it is a requirement that they need to expand and make that commercially accessible. If that is the current model of Forestry Tasmania, then they would be better judged on that. I guess our view is that currently that they could look at some examples elsewhere where perhaps it is done better.

These points we have made them strongly to Kelty and have been the basis of our negotiations with the ENGOs, so they certainly know the angle we're coming from in terms of our concern that whether these areas immediately brought under a Department of Environment and under the current protective arrangements through Parks, that we have concerns about the life that that tourism activity would generate.

The other point we've made is that we view that there is the potential for some sort of destination marketing campaign based on this agreement if it is successful, and if it is the historic deal that ends the decades-long conservation debate. We put the case that there is the potential for a new lot of marketing around visitation, but it is also not a pressing priority in the present context. On that basis Simon can fill in the gaps.

CHAIR - Thanks, Luke. Simon?

Mr CURRANT - I think we need to look at reality here and the reality at the moment is that nobody has surveyed those areas that are presently under debate; nobody has surveyed them with a view to their real value. It is all very well, but how many more trees are we going to look at? I could say that there are enough around and they are accessible now if that is what the conservationists are saying is going to create a value or it is not. What it means is to survey it for finding the really beautiful, unique spots that could be an experience that people want to come and see that they cannot already get to. So the reality of this is somewhat vague.

If you look at the history of the Greens movement in terms of this sort of argument, you will see that they will go along with this to use as their argument and then they will just step in behind the barriers to stop anyone using it other than the way they want it used. That is the history of it. That is reality. So that is the first thing I would say in relation to this.

As far as who might manage and so on, I think Luke explained that. I am sure there is a model that can involve Forestry. It can also involve private enterprise which should in fact have to pay if they are going to use those natural sites - there should be a return to the State from that and there is no difficulty with that. That is the arrangement on

Pumphouse for instance; I have to pay to be there, even though I am putting all the money into developing it. The State is not actually providing anything except access to the site. But that is a commercial arrangement that will work for the State. Because it is a unique place, people will want to be there et cetera.

Obviously the first thing is to allow access to and define if there is a beautiful spot. The minute someone finds it the anti-everything brigade will step in and say this is too precious to let people into. Now in any agreement that comes up with this it must be absolutely signed off and unable to be broken that access to those areas can be in any way and form which people really want that will still preserve the area. The argument that it will not be preserved if you are allowed in there by aircraft, boat, four-wheel drive, bicycle even, that is invalid. People, particularly now, want to access by other means and that has to be set in concrete if there is to be any agreement, because it has no value in real terms.

Ms FORREST - Would you agree, Simon, that with this whole debate though that the forestry industry as a whole would have thought that the RFA was the agreement that was to end all other carry-on and then the Community Forest Agreement, the same? Yet here we are again. You say we need to make it an iron clad guarantee -

Mr CURRANT - Well, history is that the Greens movement is far cleverer than most at getting their will through trial by *Mercury* if you like. I agree that their history is to agree up to a point and then they break it and go against it. That is the history. Somehow if this is going to get the support of the tourism industry it must be such that their ability to wipe it out on any other grounds other than that it would destroy -

Ms FORREST - Good science?

Mr CURRANT - Good science well then you deny the science, don't you? That is what they do - they deny it all the time.

CHAIR - Yes.

Mr CURRANT - But, anyway, that is what we are faced with. I guess in essence Luke has covered the other bits. Crescent Bay is a prime example; this is degraded farmland, for goodness sake, and the objections are subjective, emotive rubbish and lies a lot of the time. I do not know how you manage - you just have to keep on pushing up against it.

CHAIR - Simon, it has been put to us that this proposed 570 000 hectares or whatever of HCV - and some of us around this table are bushwalkers and, like yourself, have tramped and seen all the national parks and done it all - that if that extra additional area is reserved then the jobs that are lost through forestry-related industries will be replaced by tourism opportunities and ventures. What's your comment on that?

Mr CURRANT - A completely unsustainable argument. Until they actually survey it and point out those areas which will create a tourist attraction then they cannot put that up as an argument.

Ms FORREST - Christine Milne was interviewed on the radio recently. Her contention was that effectively tourism would be a complete boon in these areas; the Tarkine in

particular was one. She said that all these jobs would flow and that everyone in the forestry industry who lost their jobs would effectively get employed there so there'd be nothing to worry about. Would you disagree with that?

Mr CURRANT - I totally disagree with that until they show me the actual bits that they think are uniquely precious enough for people to want to go to and that they cannot get to now. My history goes back 25-odd years with Christine Milne and Waldheim huts; that was her first step up the ladder into this stuff. She fought long and hard that they should remain as they were with people actually being able to stay in the park. I would remind her of that every time I get the opportunity. That was her first foray into this stuff; she supported that and I was at Cradle at the time.

Mr MARTIN - The Three Capes argument at the moment is a classic example of how this is going to play out. The private development that they're complaining about is a series of commercial huts that will be a quarter of the size of this room with eight beds, yet if you read the publicity at the moment you would think Federal was about to stick a 100-room hotel in the middle of the national park. It is the hysteria around the argument and around an ideological debate that is countering the capacity to facilitate development. We've had the discussion about the Styx. Given the history, given the locality of it to the World Heritage Area, if someone wanted to go and build a hut or an eco-tourism development at the Styx, what kind of reception would they be likely to expect? Some in the environmental movement would say that that should be entirely protected because it's a natural tourism experience. So you would see the debate continue to play out where the underlying message is that this is the way of the future but as soon as you put up any prime or current examples where someone is actually willing to invest, the shutters immediately come up.

Dr GOODWIN - I'm getting from your evidence that there is something of a missing link between the suggestion by the ENGOs that there is all this potential if we lock up these areas and your hard, cold reality that there has been no work done to identify these areas, so we don't know what their potential is, we have no idea how many jobs potentially could be created and it's all extremely uncertain. Is that basically the situation?

Mr CURRANT - Yes, that sums it up.

Dr GOODWIN - You're not aware of any work or research that has been done to look at the possibilities in any of these areas?

Mr CURRANT - No, I'm not aware and I don't know of any sites that have been identified yet.

Dr GOODWIN - Right.

Ms FORREST - But even if they were identified, the likelihood of a tourism venture succeeding in that area and creating employment is limited because of the barriers that are put up, as you have experienced?

Mr CURRANT - Yes, unless you have the management such that you can facilitate that happening, whereas the way they try to set it up would be to make it so damned difficult that you wouldn't want to go there and be in it.

Ms FORREST - Which would stymie tourism growth in that area.

Mr CURRANT - Yes. I would like to make another observation that has not appeared in any of this debate because it is from quite out of left field in a funny way. These are high-conservation areas, apparently. One of the things being missed here is that if you lock this up now you will not be able to claim carbon credits on it in the future - because it's locked up. The value of that area has to be conservatively \$200 million to \$300 million a year to this State on carbon credits. I think that is a valid argument and nobody seems to be raising it and I don't understand why. Here we are, rushing into an agreement that could lock this away before its carbon credit values have been assessed. Assessing it means you go and count every single tree and add up how many tonnes of carbon and then sell those. It will never get used and it returns a huge amount of money to the State which can be used to facilitate the bits and pieces of management that can make this work. That argument just does not seem to get any traction and I don't know why. If you have the opportunity, you should explore it. There are some people who own lots of private forest and have counted every tree and are right now actively selling carbon credits on that basis of, 'I will lock this up'. If this gets rushed through, that money won't come.

Ms FORREST - Can't it be counted after it's locked up?

Mr CURRANT - No, because once it's locked up, it's locked up. The point of carbon credits is to lock up.

Ms FORREST - So you can't count what you already have locked up?

Mr CURRANT - No, otherwise 42 per cent of the State could be counted now and we'd all retire.

CHAIR - Gentlemen, I thank you both very much for coming and giving us another perspective.

THE WITNESSES WITHDREW.

Dr PETER VOLKER AND Dr MARTIN MORONI, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Welcome, gentlemen.

Dr VOLKER - I am a professional forester with 30 years' experience in Tasmania. I currently work for Forestry Tasmania and I am also the national president of the Institute of Foresters of Australia, which is the professional body for graduate foresters. I am also a member of the People of Forestry Tasmania, which is an in-house group that has been concerned about the direction of some of these recent issues in Tasmania. I thought I would just come and speak in my capacity as a professional with 30 years experience in Tasmania. My expertise is really in plantation forestry. I have spent all my working life in Tasmania but I have also had considerable international experience. I have done consultancy work in China, Chile and a few other places and this time last year I went to Spain, Chile, Uruguay and Argentina with a group of sawmillers from Tasmania. I think they gave you a copy of the report from that trip.

CHAIR - Yes.

Dr VOLKER - So I am happy to answer any questions in relation to plantations. I guess as a professional forester I also have experience in native forests. I wouldn't class myself as an expert but I have a pretty good professional background in that area and I certainly understand the main issues that are facing Tasmania and the questions your inquiry is likely to ask. So I am happy to field questions and will tell you if I do not feel confident to answer them. I think Martin and I complement each other in our knowledge so hopefully we should be able to cover anything you ask.

Dr MORONI - I have a background at the University of Tasmania with a degree and PhD in agricultural science. I started studying nitrogen nutrition in plantation nitens and ended up going to Canada for about 10 years where I worked largely as a climate change scientist with Natural Resources Canada. I came back to Tasmania in September 2009 because I wanted to come home and found employment with Forestry Tasmania as their senior carbon scientist, so since I have been back I have been summarising the knowledge we have on carbon cycles within State forests and am still working through that process. I have also become involved with People of Forestry Tasmania, which is a staff body, as Peter described. So I think that is where I can contribute to the native forest debate and the carbon cycle and also just give you some impressions of what scientists are thinking.

CHAIR - As you are aware, gentlemen, the genesis of this whole inquiry is the round-table process I suppose and then the concern that has been expressed to many of us around this table of what is going on from all different sides of the argument, so we have had evidence from ENGOs, industry and other groups. So I suppose if I could put the fundamental question first up, the transition and the proposed ambit claim, if you like, of something like 530 000 or 570 000 hectares - what is your view on that? Be frank.

Dr MORONI - We are, but to allow us to be frank we have to say that we are here in our private capacity, not in the capacity of our employer.

CHAIR - Yes, indeed.

Dr MORONI - I think that carries for Peter as well.

Dr VOLKER - Yes.

Dr MORONI - From my personal perspective, my biggest concern would be a lack of any real rigour in the discussion - definitions, reasons, rationales. If I were to take a limited pot of money and think about the environment I would ask what ecosystems and what systems are most at risk and I would have some sort of measure that you could compare that with. So first of all I wonder why we are spending so much money or thinking in resources on forestry when I don't believe forestry to be among the systems at risk or that need extensive protection.

Then you start using terminologies that are undefined, locations that are poorly defined and rationales that are more catchphrase than definition. They are non-testable so people can speak with impunity, change their ground and move the goalposts and they continuously do this and that is my biggest problem. You cannot evaluate it. You cannot compare it to another alternative, you cannot make an evaluation between one system and another, you cannot work out what high-conservation value is and why it would be compared, there is no trade-off analysis, risk analysis, those types of things.

Mr WILKINSON - So you're saying there is just no science in what they're doing at the moment?

Dr MORONI - Yes, no science or even definition. It probably has to move towards science eventually but if someone could describe or define what is high-conservation value -

Mr WILKINSON - That's what I was going to ask you; I have it here. Do you know what it is?

Dr MORONI - There are high-conservation values defined in the literature and I do not have those definitions with me, but I have never heard of any scientifically-based definition of 'high-conservation value' used by the ENGOS. It seems to me that it really means 'trees' - or favourite places.

Laughter.

Mr WILKINSON - It would seem to me that when you ask questions people will answer, 'Look, these forests are high-conservation forests, therefore they should be protected, and if they are protected there will be a number of jobs that can be obtained in tourism.' But at this stage I haven't heard what a high-conservation forest is, nor have I been able to understand exactly what jobs are going to be coming through the door if they are protected. It is just, 'They're unique, they will be an attraction to people interested in this type of thing', but there have been no concrete facts put forward to me in relation to either of them, which concerns me, and that is what I was trying to get from you if I could.

Dr MORONI - I share exactly the same concerns. Discussions of economies and environment are all based on catchphrase, sound-bite, something that grabs people's

attention and works their emotions. If a business suggested that they could build something of a scale and attract people to it, they would develop a business case. There are formal procedures, I suspect, that you would go through to ground your assertion involving market research and that sort of thing. I am unaware of any such thing to back the assertions of the green ENGOs.

Mr WILKINSON - In your expertise in Canada and here, you must have heard of high-conservation-value forests before?

Dr MORONI - Yes.

Mr WILKINSON - I know you are saying that at the moment it is 'trees', but it would seem to me if that is the case they would have to be a particular type of species that is threatened if they are not protected?

Dr MORONI - My understanding of 'high-conservation value' varies, depending on the system you are examining. For example, some things you would want to preserve happen in very small scales and you only need to preserve a relatively small area, but some things need larger areas like, for example, raptor birds might require a larger area of natural habitat. So you end up in this place of having to define what it is that you are thinking about and then scale becomes important. Normally it has to do with ecosystem function and whether or not there is enough of the ecosystem to function. In the context of Tasmania I often wonder about that because we have a very large area of forest reserved so we are gravitating towards things that have an emotional reaction, like very large trees. Forestry Tasmania conserves very large trees because we like very large trees, but if we cut down some of our taller production forests the concern for me would be that we haven't got examples of tall production forests elsewhere and enough abundance for that ecosystem and all the species that rely on it to function properly.

I believe the RFA went through a process of thinking about these things and came up with arguably a very good case for high-conservation value. The United Nations has high conservation value in its COP process, through the international treaties and agreements, which are all freely available on the Internet. If you do a search through the abstracts you will find definitions and different things that you should include. I think the point is that there is no one single broadcast definition. It will involve weightings of a range of factors that may or may not be applicable to your system.

Dr VOLKER - The reality in Tasmania is that we've got a Forest Practices Act and under the act every hectare of forest that is due to have an operation on it is assessed for its high-conservation value; every single hectare. So we do it as we go and really that is all based on the RFA, the rules that come out of the Environmental Protection and Biodiversity Conservation Act at a Federal level and our international treaties. So we already have a process in place and you can't draw a line on a map before you've gone and had a look at it. That is one of the issues as foresters we find very hard at the moment. This is all about people drawing lines on maps when they haven't even gone and assessed it. To me it devalues the concept of high-conservation value because high-conservation value is held dearly by professional foresters as something we want to protect, but people just drawing lines on maps willy-nilly is ridiculous.

CHAIR - You would have a concern too, Peter - and let us talk hypothetically for a moment - if those lines are drawn on maps and in fact those areas, for political reasons or for whatever, are then made into HCV areas, about the future management of those areas and what would happen in an environmental sense to those forests in the future?

Dr VOLKER - The fact is that some of the high-conservation values that may be contained in there, that we do not even know about, by drawing a line on a map, we may be not managing for that high-conservation value. We may be having the opposite effect and destroying the value that we are trying to protect because forests are dynamic and we need a complete range of age classes in forests. Before Europeans arrived in Tasmania, that was done through natural and human disturbance, mostly fire. But since we arrived, we have to admit that Europeans have modified the environment so much that we cannot go back to letting nature take its course, that we have feral animals, we have weeds, we have foreign diseases that we have brought into our fauna and flora and we cannot just let it go back to benign neglect.

I do not like using the word, 'lock-up' because who knows, even if we did put these into conservation reserves, in 200 years' time when the world's population is double what it is now and our resources are really valuable, it might be great that we have locked it up now because our future citizens of Tasmania might decide, 'We have a resource here that is too valuable to be locked up, we will get back into it'.

CHAIR - If there a change of land use and we still use the word 'lock-up', are you concerned about fire risk and those things? With a lot of those infrastructure matters, it depends who the new manager might be. If, for example, they were passed over the Parks, how would they manage them? Would they would need, can I suggest, a big bucket of cash to be able to do that.

Dr VOLKER - Exactly. Regarding the Institute of Forests, probably more than half our members in other State are now working in national parks because they were managing forests that were taken up by the parks and they transferred over. Their biggest gripe to us, in the institute, is that they do not have the funds or the support to do the work they need to do to manage the parks properly.

Ms FORREST - Manage the forests within the parks?

Dr VOLKER - Yes, manage the forests within the parks. So keeping out feral weeds, fire management in particular and all these things cost money and it has to come out of the public purse. The highest priority for governments these days is health and education, especially for State governments so they do not have money to spare for basically non-productive uses. It is one of the big issues and that is what concerns our profession quite a bit.

Ms FORREST - It has been claimed that this new round of discussions around native forest - and we have had a number of others over recent years - has been driven by the decision of one player to exit out. Do you think that is the only driver or do you think there is a bigger agenda than that?

Dr VOLKER - From a personal point of view, I think there are lots of things. I think if you look at the history of forestry in Tasmania from almost day one of European settlement,

there has been lots of power plays in politics in terms of the sawmilling industry having influence at the political level. The classic argument is, 'If we do not get our water at a certain price, we will close our sawmill and, Mr Politician, that will not look good at the next election when I put 50 people out of work in your electorate', and that has been going on for 200 years in Tasmania.

Ms FORREST - So this will not be end of it then, is that your view?

Dr VOLKER - I think the way forestry is going in the world governments are less and less involved at the commercial end and more interested purely in the forest management side of things and letting the commercial side take care of itself.

Ms FORREST - Having said that, do you believe that Forestry Tasmania should reassess their role in all of this?

Dr VOLKER - I do not think that is Forestry Tasmania's role, I think that is the Government's role.

Ms FORREST - I will rephrase the question. Should the Government reassess how Forestry Tasmania operates? Should the commercial side of it be privatised?

Dr VOLKER - I don't feel competent to answer that, but I certainly think the whole forest policy needs to be looked at, and the structure of forestry in Tasmania. It is not harmful to go through those processes.

Dr MORONI - I think care should be taken. I think one of the values that Forestry Tasmania has at the moment is that it is fully integrated. Its research arm is integrated with its management arm, so research has found that it is a seamless integration should they want to integrate it. The desire to pull it apart would potentially create some management complexities that would have to be very carefully thought through so that the ability for research to influence management -

Ms FORREST - So you could lose efficiency, is that what you're saying?

Dr MORONI - You can. I think there are many structures for the way things are done, and I'm not an expert in structures, but I think cleaving it apart would initially break that structure. Care would need to be given if you were to cleave it apart as to how you would bring it together again in a different structure.

Dr VOLKER - One of the benefits I find working in a place such as Forestry Tasmania is that it is a very broad church of people. We have conservationists who are passionate about conservation and people who are pretty passionate about production so there are internal tensions but they tend to get sorted out, whereas if those people were in separate institutions, I think those tensions would be harder to resolve because you are not then working towards a common goal; you are at each other rather than working with each other to find solutions.

Dr MORONI - I think this is a very valuable thing to think about. I believe the ability to do a fully integrated landscape management is one of the unique things about Forestry Tasmania and one of the things that has been lost from other State agencies that I think is

to be mourned. Other State agencies don't have the capacity to easily do what Forestry Tasmania is currently able to do.

Ms FORREST - Is that partly to do with the size of the State or the integrated approach they take?

Dr MORONI - My personal thinking is the integration. I think other States were able to do it in the past, from my casual conversations, and now the structures are not in place or are not well enough in place, but I am not an expert in these matters so I cannot categorically answer that.

Ms FORREST - Martin, are you able to verify Simon Currant's comments about the carbon capture, that if we reserve these areas of forestry before a decision is made around the price on carbon we will potentially exclude them from a benefit to Tasmania?

Dr MORONI - The comment is probably a little bit annoying in that it is unable to be categorical because the rules are not defined. Certainly you can make up the rules as you wish but it is very unusual to hand out money for something you wouldn't do normally. I am probably not going to pay you money to get out of your bed in the morning because you're getting up out of the bed in the morning anyway without me paying you money. There is an argument to that, but an even bigger argument in the State of Tasmania's native forests is that if you were going to hand someone money for carbon, you would want to think of permanency - is that carbon going to be always stored there and is it going to go up? You want to start asking questions as to where we are in the natural carbon cycle. Once you are in the place you realise that you are dealing with a natural cycle and why would you want to pay anyone any money for a natural cycle that you don't really fully manage?

Ms FORREST - But if you lock up the forest and do not allowed it to be harvested anymore, eventually trees die and fall over and then they release all their carbon.

Dr MORONI - In a large enough landscape you end up with the new tree growing equally in that release. The State carbon will not continue to climb indefinitely. The forests are finite and their ability to grow is finite. In the background we have fire licking away at the forests, so most of the carbon is in the soil and then a great big chunk is in the trees and the dead wood. We are going to have a fluctuation, it is going to naturally vary, and our management doesn't really influence that, unless we clear the forest and turn it into a non-forest.

Ms FORREST - So that argument's not really an argument that needs to be thrown into this debate?

Dr MORONI - The argument is in the debate for other reasons. At the moment people are really gravitating towards one of the roles of forests in greenhouse gas mitigation. The reason we want to store carbon in trees is so that it's not in the atmosphere. We are really focusing on only one facet of the use of trees, which is landscape carbon storage. Just about everybody who is involved in the scientific literature suggests that that is valuable but limited. If they put a price on carbon with the intent to stop fossil fuel burning, you will end up seeing eventually pressure to harvest every single forest that is productive. You can harvest a forest and it still releases an enormous amount of CO₂ when it is

milled and used. Wood uses much less, so if you are going to charge for carbon eventually someone is going to do the maths and say, 'Don't use steel, use wood; don't use concrete floors, use wooden floors; don't burn oil if you can burn wood waste'. Eventually people are going to start putting the numbers together and say we need to use wood.

Ms FORREST - And we have to cut is all down again.

Dr MORONI - Yes. We had an IUFRO conference here last year and they were saying that with global climate change and the carbon market, pressures will come to push the managed forests boundary beyond where we might be comfortable for biodiversity. In Canada the discussion was the same. Here it is bizarre that they think of locking it up. The reason why it is bizarre is that your forests become full and then that is it; the story is over and there is no more carbon to be gained. In fact you can only lose carbon from a full forest. Whereas if you manage forest, you harvest the forest, you do not burn fossil fuels by the use of that wood, and the forest is constantly growing. You are keeping it at a growing pace where it is drawing down carbon dioxide from the atmosphere.

Ms FORREST - This is not well understood out there.

Dr MORONI - In the public discourse it is not but in the Australian scientific literature it is not debated. It is an element of all the models that have been produced by the CSIRO; all the thinking from the managers and all the international treaties and obligations reflect it. The FAO has it; the IPCC has it. In fact if you read the IPCC statement it says, 'Sustainable forest management is the best outcome for the atmosphere' - producing long-lasting products.

Ms FORREST - Not locking it up but sustainably managing it.

Dr MORONI - Yes. The FAO has produced forestry papers which say this. It keeps coming back to the fact that it is not landscape carbon storage. Everyone recognises that is an important component but you really need to sustainably manage a forest. They emphasise 'sustainably' because if you do not sustainably manage the forests you bleed carbon from your forest as you bleed its ability to produce wood. You lose productivity, you lose carbon, it is all bad, but if you sustainably manage it then your forest would be able to reabsorb the carbon that was lost and then you are able to extract products from it.

Mr HARRISS - Martin, you mentioned that international conference; what was that?

Dr MORONI - That was an IUFRO Canopy Processes meeting - International Union of Forest Research Organisations. Chris Beadle from the CSIRO was organising it. They meet every two years in different places around the world. I could not give you more details than that at this time.

CHAIR - Have FT got anything in a dot-point form on carbon storage?

Dr MORONI - Not so much in a dot point form. I have written a paper that looks at carbon in trees. I am in the latter parts of writing a position document for Forest and Wood Products Australia - FWPA. That describes these arguments and goes in through a lot of

the detail. You can capture a lot of it on the FAO's web site. Forestry page 160 or 162 goes into a lot of detail about this thinking.

CHAIR - It is something as members of parliament you need to encapsulate simply, not something that you want to go into great detail about otherwise we would get lost in the mire of science.

Dr MORONI - If you think about the forest carbon cycle, at least within State forests and probably within the whole of Tasmania, the major driver of forest carbon is wildfires. There is not a lot of data to describe, in Tasmania, what a large wildfire or what a megafire would be, so this is speculation based on conversations. A megafire might be in the order of a million hectares. Tasmania is large enough to support that. If you think that Victoria in the 2000s had a 2.5 million hectare, a 2 million hectare and a 1.5 million hectare fire, it's reasonable to think that Tasmania might have a 1.5 million hectare fire in its megafire year. That means that a medium-sized fire might be 100 000 hectares and small fires, like we see annually lately, of about 10 000 hectares, going up in an order of magnitude. We haven't seen a medium to large-scale fire since 1967. Megafires might have been in 1898 and they might have been in 1934. We've had big fires and medium-sized fires in the 1960s in different places; in the southern forests I think even in the 1930s and 1940s. So we have had 50 years of growth without large-scale fires. We've had maybe 100 years of growth since the last megafire. If this is how much carbon there is in the forest and it's swinging up and down, we are probably towards the up-end of the cusp. We've probably filled the forests a little bit; they're probably fairly old. So they will get emptied by fire when the next fire happens. I can't tell you when that will be. It could be next summer; it could be in 10 or 15 years.

If we left the forests alone, the carbon would trajectory gradually up over time until the next fire. So it could be 100 years from now or it could be next summer. We just don't know. Then, if we have a megafire, we would come down quite a lot. Then it would take us another 100 years to get back up to where we were before the megafire - 100 or 200 years. Remember it's a large pool; we're not talking about coming all the way down. If we're fluctuating up and down, I think we're heading towards the upper end of the variability that we see in our natural forest systems. We see that in the data that we've got. If you look at this paper it shows that we've got probably 70 per cent of theoretical maximum in a fire-driven system. I think that's fairly high. We're looking at the inventory data and we're seeing very few standing dead trees and a whole lot of down deadwood, which tells us that large-scale landscape-level fires haven't been present in our landscape for 50 years. The data sets that we collect are showing us the same thing; that fire goes through the systems and creates all this deadwood that then pulses through the decades. It's confirming the observations that we haven't had any really large-scale fires, that our forests are probably towards the upper end. I do think that they're on a trajectory of increasing carbon at the moment; I don't think that's a steep trajectory but I think they are on a trajectory of increasing. The gun is loaded, if you like; the forests have become fairly large, the biomass is full, the fuel load is high. When the next fire comes, it's -

Dr VOLKER - It's like a dam bursting.

Dr MORONI - Yes, it's ready to go.

Ms FORREST - It's like the 100-year flood coming through the Gorge.

Dr MORONI - Yes. We're in that place where we have the circumstances; the biomass is loaded and it's ready to go. I think it could be a very large exhale in that middle band; it could come right down. We could see the fire of 1898. If you look out onto the mountains, the dead trees that you see on Mt Wellington from when the last fire burned the edges of Hobart, they are from 1934. That was the last time we talk about any sort of large-scale fire.

Ms FORREST - It's scary to contemplate.

Dr MORONI - It is.

Dr MORONI - Some of the dead trees are from 1967. If you look out onto the hill, you can see that this landscape burns and you can see the evidence of the last megafire or possible megafire of 1934, which burned hundreds of thousands of hectares in Tasmania. We haven't had that scale of fire. I haven't seen in my lifetime; nothing close. I haven't even been alive for a 100 000 hectare fire, but they happen. We see evidence of them on the hills over there. If that was to happen, we'd see a drop.

Dr GOODWIN - Martin, I want to go back to the HCV definition. If I were to look through the scientific literature would I find a reasonably consistent definition under a broad umbrella? You mentioned the United Nations as well; are those definitions sort of broadly consistent?

Dr MORONI - I think the best way to describe it is that you would have a common feel. The specifics would change but you'd have a common feel.

Dr VOLKER - The WWF has probably got the best articulated definition of high conservation value, how to assess it and how to put the principles in place. That's been basically adopted by both the certification bodies, the Forest Stewardship Council and the PEFC, which is what the Australian forestry standard operates under. Those definitions are pretty well established and pretty well adopted on a world scale now, so really there is no real argument about the definition. It's the implementation that is the difficult area.

Ms FORREST - Or the application to this.

Dr GOODWIN - Yes, so for the purposes of the State and its principles, it's not as though it would be a hugely difficult task to go out and come up with the definition.

Dr VOLKER - One of the first things in the definition of high-conservation value is that you have permanency and you have a well-established protected area management, which Tasmania exceeds by three times the international standard. We have 45 per cent or more of our landmass in conservation reserves. Whether they are formal or informal, the fact is -

Dr MORONI - It's 55 per cent.

Dr VOLKER - Yes, they are in informal reserves. The international standard is 15 per cent, so we exceed it. The other thing they say is that once you have your high-conservation value areas in protected areas, go and look for other biological systems that aren't protected and focus on them. Don't focus on stuff you've already got well protected.

Dr GOODWIN - Yes, so it's a more targeted approach rather than, 'We'll just lock up these great slabs of land and hopefully we'll capture something'.

Dr VOLKER - Yes. The other thing about the definition is that humans are part of the ecosystem so don't just look at the conservation value in terms of the biological system but look at it in terms of your effect on humans who live in that economy. So look at the economic and the human aspects of conservation.

This is one of the things that annoys me at the moment, all these forest timber workers in Tasmania don't matter - we're expendable. Well, where will we go? I have 30 years experience - I studied at university, did a PhD - what am I going to do, chuck that out the window and go and serve coffee somewhere?

Ms FORREST - Yes, you will get a job in the tourism industry if you listen to the ENGOs.

Dr VOLKER - I can leave. I can go and work anywhere on the planet and that's what I'll do but the only thing is I'll have a millstone around my neck, which is my house and my property which I won't be able to sell because nobody will be coming here to buy it.

Mr WILKINSON - One of the questions that has been answered in relation to the carbon credit value, which we've spoken about, the other one is, in all reports what I like to do is to try to find a bit of the history first. Are you able to assist? Tasmania has always been involved in the forestry industry. I believe we grow trees well down here. Forestry Tasmania I think have had a pat on the back because part of the areas that are classed as now being high-conservation value have been forested 15 or so years ago and now they are classed as being high-conservation value. I think they are interesting points.

Are you able to give us a bit of a history of forestry within Tasmania within the time you have available? To me, the RFAs are a good place to bring that history up to and what's happened since then? What I'm scared of is a bit of a bracket creep - we have this much, okay, we will be happy with that, now we have a bit more, we are going to be happy with that, and a lot of people forget and we're in a situation now where there's going to be a bracket creep again.

Dr VOLKER - I am no historian, Jim, but I can go back, I guess. The Forestry department started in the 1920s and the main reason it started was that the Government of day were concerned about uncontrolled exploitation of forests. That is why the Forestry department started then. It was the same story all around Australia.

The forestry profession in Australia really only got going in the early 1900s and it was in response to a lot of conservation angst about forests having no control. Forests were usually under the control of either economic development or agricultural expansion. So a lot of forest was lost because we were wanting to expand Australia, and rightfully so probably at the time.

So that happened. One of the things that happened in all States was that State forests were declared as forest reserves for timber production. So people knew that if it was State forest, it was an area zoned for timber production and gradually over time the Forestry department started managing all the other aspects. The concept of multiple-use forestry probably did not come in until the 1960s and 1970s, which was managing for all the other values plus timber production, so water and recreation and other commercial uses. That is how the history of forest management has evolved in Australia.

I know there was a bit of controversy in the 1940s which brought down a Tasmanian government and I think there was a royal commission at the time so I do not need to go into that but I think it brought a premier down, so there was that part of Tasmania's history, and I think that is probably still in our consciousness to some extent. All this talk about corruption and so on I think has probably been in the Tasmanian consciousness for 70 years. I am 52 years old and certainly as long as I can remember there has been that; as I have been working in forestry there has always been that in the background, so it is part of our history.

Then in the 1950s we had softwood expansion throughout Australia and Tasmania was no different and I say in my paper here that I presented to you that Australia imported softwoods from day one of European settlement. The First Fleet brought softwood timber here and we have been importing it ever since. So the whole softwood thing was all part of fortress Australia and so on, response to the world wars when we were isolated and softwoods were seen as the timber we needed to use. That is what drove the softwood expansion in the 1950s, 1960s and 1970s, funded by the Commonwealth, and we cleared native forests to do it but then the conservation movement started emerging and saying, 'Hang on, we are clearing native forests and putting on an exotic species; it is no different to what we are doing in clearing for agriculture'. It was really from the 1970s onwards that we started looking at how we manage our native forests. That eventually led to I do not know how many inquiries we have had in Tasmania. I guess the main ones were Helsham, the Environmental Impact Statement for Pulpwood - I think that preceded Helsham - then we had Helsham, then we had the RFAs and that was a very rigorous process.

I think maybe one of the weaknesses of Helsham and RFA was that they did not involve the community as well as they could have done. Maybe the community thinks, 'It is all being done by the experts and we do not have much of an input'. So we had the RFA process. Then we had TCFA. In between times we had Graham Richardson and Bob Hawke drawing lines and maps in the Cabinet in Canberra. I think Graham Richardson quotes that they were using a pen that was about that thick which equated to a width of about 3 kilometres on the map they were using. There were silly things like that going on but at the same time I think forestry in Tasmania and possibly in Australia has been one of the most looked into industries in the country and yet we are still in this sort of position of -

Ms FORREST - Uncertainty.

Dr VOLKER - uncertainty.

Mr WILKINSON - If I were in your situation I would be saying, 'If I am crook I go to a doctor because they are the experts, if I have a toothache I go to the dentist' -

Ms FORREST - If you have a legal problem where do you go then?

Laughter.

Mr WILKINSON - They go to me, but you go to a lawyer, but what seems to be happening here is if there is supposedly a problem in our forests, a lot of people do not like going to our experts, being the foresters, to get the answer.

Dr VOLKER - Because maybe they will get the answer they do not want to hear. I think that is part of the problem and granted, a lot of foresters are employed in organisations, companies or State services and so on. In Forestry Tasmania's case one of our drivers is economic, how much timber do we harvest and how much income do we bring in? From a forester's point of view that is only one aspect of it. I think it has happened in the last few years that the triple bottom line should be just as important. At the moment we focus on what is the income to Forestry Tasmania, like any commercial business, but we do not value the social and the environmental aspects and maybe if the environmental aspect was communicated and valued more highly people would say, 'We don't care if Forestry Tasmania actually makes a net loss in the scheme of things; because they're protecting environmental values, that's money we don't have to find to fund the national parks that those forests would otherwise be' - if you get my drift.

Ms FORREST - Wasn't it a government policy decision, almost, to stop paying the community service obligation back in the 1990s when they did that?

Dr VOLKER - You'd have to ask Bob Gordon about that.

Ms FORREST - He mentioned that yesterday. They are making allocations - that is probably the right word for them - in their balance sheet now, but they were actually receiving some funding, as I understood it.

Dr VOLKER - In my role in FT I manage the roads part of the business and we've got 12 000 kilometres of roads that Forestry Tasmania built and maintains. We don't get a cent from the State Government for doing that. We don't get a cent from the tourists who drive over those roads. We do get money from commercial operations that use those roads. Of that 12 000 kilometres, in any one year we are probably only using 10 per cent of the network, so 90 per cent of the network we don't actually really need.

Ms FORREST - At that time?

Dr VOLKER - At that time.

Ms FORREST - But you might use it again later on.

Dr VOLKER - Yes.

Mr WILKINSON - In relation to this debate that's going on at the moment, it all now seems to me driven by high-conservation-value forests and you are saying that there has been no proper definition, it is just a grab-all overarching blanket over everything. So you are

saying that what they should be doing first is saying, 'Well, what are your high conservation values?'.

Dr MORONI - I think they should look at the landscape, not just in forests.

Mr WILKINSON - Then after they find out what they are saying with what is high conservation value, they should investigate to see whether there is any of that high conservation value in those areas that they are attempting to protect.

Dr VOLKER - Jim, let's put it economic terms: does the high conservation value outweigh the social and economic value of that piece of forest?

Mr WILKINSON - That is the other argument, but first you have to find out what the high conservation value is.

Dr VOLKER - You have to have some sort of a metric. I think Simon Currant said the same thing with tourism - let's have a metric. If we can measure it we can manage it, but at the moment we get all these catch-all phrases, as Martin says, sound-bites, and nobody can measure it so you cannot argue against it or for it.

Mr WILKINSON - But there's a concern there when politicians step in because politicians, you might argue - and argue correctly on some occasions, especially when you look at previous elections - will promise anything, whatever it takes, and if they believe there is a vote in it they are going to go that way, forgetting about science as well, some might argue.

Dr VOLKER - But at the end of the day the community has to decide. If the community is informed and weighs up the options and says, 'Okay, there's the conservation argument on this end and the full production argument on that end,' if the community has all the information and says, 'We still want to go that way', great.

Mr WILKINSON - But that is the argument, isn't it, and it seems to me at the moment that they haven't got all the information and therefore cannot make a value judgment - is that right?

Dr VOLKER - Yes. We live in a democracy and at the moment I think this whole process has not been a democratic one; it hasn't involved the wider forestry community, it has involved a certain number of representatives. They are only representatives, so they have their own personal views and the views of the organisation they represent. In some cases they are not even representing the views of the organisation they represent, and that is why a lot of people are getting pretty upset about the whole process.

Mr HARRISS - And where is the science?

Dr VOLKER - Well, not just science. I'm a scientist, but at the end of the day there are so many examples in the world of science not winning the day, even if it is good science, so it has to be based on moral, ethical and a whole lot of other issues as well. Science informs but science doesn't decide.

Ms FORREST - We are emotional beings, though, and part of the problem here is that you've got to deal with that aspect of it. Science doesn't tend to be terribly emotional.

Dr VOLKER - Science tells you that you shouldn't smoke cigarettes, but 50 per cent of the population still do because there is a whole lot of other factors in their decision about that and it is the same with anything.

Mr WILKINSON - Yes.

Dr MORONI - Some of these last questions are moving onto the area of People of Forestry Tasmania which may be worth a comment because some of these comments about the organisation are quite relevant. There seems to have been a process where, if you work for Forestry Tasmania, you are marginalised, and that has only happened because Forestry Tasmania has been demonised in the media which means that the expertise within the organisation has been diminished or undervalued.

Forestry Tasmania has a range of expertise, ranging from people who can sell wood internationally and domestically, manage road systems, research carbon, to people who can cut trees down and resow trees. There is the full gamut of enterprises there and there are groups of people who have had years of experience. Just like anything else, like with a hospital or a school system, you cannot get rid of that and then suddenly have a functioning forestry group.

The staff of Forestry Tasmania are tired of being used as a political football, tired of being undervalued and tired of being demonised. People like Kim Booth will say something like People of Forestry Tasmania are rogues and, by implication, that means that the staff are also rogues, that the people who conduct the business are doing it in the manner of a rogue. That sort of thing is really difficult to bear over decades.

Mr WILKINSON - It is a cheap debate.

Dr MORONI - It is a cheap debate. It also means, as you have indicated, if the State of Tasmania wants to have forestry professional and integrated in its land management, it has to have Forestry Tasmania or be strongly linked to Forestry Tasmania and in the process it muddies them and demonises them. I built my career in Canada and now I work for Forestry Tasmania, I work for the demon. If I say something, the chances are that I will be grouped in with Forestry Tasmania, as in, 'Oh, he works with Forestry Tasmania', and it is a real shame.

Mr WILKINSON - It would seem to me that you can point to independent studies that have been done on the work provided by Forestry Tasmania and those independent studies have been carried out by people outside Australia and initiated by some of the environmentalist groups, and the answers have always come back that FT has done over and above what was needed. Is that fair?

Dr MORONI - I think that's fair. I think, in response to that, what we really need is to lose the impunity with which people can just criticise. Criticism on grounds is always valid and Forestry Tasmania needs to stand to criticism; we should not shield from it. But ungrounded criticism, unfair claims, are let go so people speak with impunity. People speak about the organisation - and implicitly its staff - with impunity. They talk about

forestry with impunity. I think we would really benefit from having somebody to hold people to account for what they say and remove the impunity with which people can speak when it is really quite damaging.

Ms FORREST - It's a real battle, isn't it? It is a real problem that so many unfactual statements are made in the public arena, whether they are challenged or not. I believe that generally they are not challenged because people are reluctant to put their heads above the parapet.

Dr MORONI - Yes, exactly - they get lopped off.

Ms FORREST - That is right, so people tend to keep their heads down. But how can we address that? This is all part of this whole thing. I do not know whether it's relevant to this inquiry to this degree, perhaps, but I think it is in a way because if you're going to have a meaningful debate about the future of forestry in Tasmania, how can we get some of that truth into the debate in the public arena?

Dr VOLKER - Ruth, one of the things that startled me was that the Institute of Foresters of Australia had a meeting last year and invited Kim Booth to come along and he spoke very well; I was very impressed by him and I changed my personal views about him. But since then, I have perhaps gone back to other way because, in front of that audience he put some very cogent arguments and I could agree with some of what he said, but then -

Ms FORREST - He comes out in the media the next week.

Dr VOLKER - Yes, the next week it is completely different. One of the things that struck me was that Julian Amos said to us that the figures Forestry Tasmania were providing to this process the ENGOs refused to believe. In other words, they were saying that the Forestry Tasmania staff who are putting together figures, and some of them were Martin's carbon accounting figures, were liars. Professionally I find it abhorrent that somebody would say that I am a liar, that I am deliberately misleading the public of Tasmania about it.

Ms FORREST - Your whole credibility, your whole PhD, hangs on the back of it.

Dr VOLKER - Yes, exactly. You would not go to your surgeon and say that he is a liar, that he has just operating on you because he wants to make money.

CHAIR - Could I suggest that the fifth column is alive and well in Tasmania.

Dr VOLKER - For the Institute of Foresters, 40 years of this has now meant that we cannot get young people to do forestry professional degrees in Australia. We had three universities teaching forestry degrees and they are all about to collapse. Yet we have kids jumping into environmental science degrees and less than 10 per cent of them get jobs. Kids doing forestry degrees have got jobs before they even finish but we cannot get them to do it because the whole profession has been so badly demonised.

Mr WILKINSON - And yet you are there to save the trees, aren't you? That is what it is about, isn't it, to make sure that the trees are a sustainable resource?

Dr VOLKER - I have not spoken to a forester who did not do forestry because the first thing they wanted to do was live and work in the forests. When I first started work I could not believe that somebody was paying me to go and work out in the forests.

Dr MORONI - This is a global phenomenon. People who work in forests tend to because they like nature.

Dr VOLKER - One of the things that we are taught in forestry is to think on 100- to 200-year horizons. With a clear-fell, I see the destruction but I also see what it is going to look like in 100 years time. I know what it is going to look like.

Dr MORONI - And you can compare it to a fire.

Mr HARRISS - It has been contended this State has not met all of its obligations under the RFA. What would you say to that?

Dr VOLKER - We are the only State that has produced the five yearly reports on time every time and those state of the forest reports are very comprehensive. I do not know of anywhere else in the world that would produce such a comprehensive set of measurements. For anyone to argue that I would say they have not read the reports and if they have problems with the reports then there is a process by which they can criticise.

Mr HARRISS - I think it might have been specifically with regard threatened species on private land.

Dr VOLKER - As I said before, the forest practices system caters for that. For anything that comes under the forest practices assessment, whenever somebody proposes a forest operation on private land, that would get assessed. Graham Wilkinson and the Forest Practices Authority will tell you that it does not recognise tenure, so the same rules apply to private and public land. I am flabbergasted that someone would say that we are not addressing those issues. I know we are because you can find landowners who have been affected and who are upset by the fact that they have been told their forest is no longer commercially utilisable because it is part of a conservation area. I know some of them have had trouble getting compensation out of the Government because of that, even though they are entitled to it.

CHAIR - Peter, I think you referred to the Britton Bros report. I think you did that study tour with them and it had commercial in-confidence on the top, but there was no problem I do not think from Britton Bros.

Ms FORREST - Britton and McKay said they were happy for it to be on the web site but your name is on it too, as FT funded it.

Dr VOLKER - I was the main author. When we first produced it we did not want to get it out too widely because we were concerned there were some things in there that some people might use in the wrong way. I think that it has been out there in the public domain now for a few months.

Ms FORREST - So you are happy for it to be made publicly available through this process?

Dr VOLKER - Because I did it as a Forestry Tasmania employee, I had better clear it with Forestry Tasmania first.

Dr MORONI - I thank you as well. I can leave you with the paper that I wrote that describes carbon and describes some of the carbon debates relevant to state forests, like the desire to maximise carbon stocks. Before I came here I said I was coming to meet with you folks so I sent an e-mail to staff and asked if anyone would like to comment, and this is a summation of the comments. There are no names, so they are unidentifiable. We got 20 or so people responding who said, 'This is what I'd like to convey.'

There are three roles for forests and you can think of them like the dynamic systems of a dam. So if you have a dam and you have water coming into the dam through tree growth and it fills the dam level up, and then you have losses coming through the burning or the death of trees, which tells you that the system will be equilibrium, so there's stuff coming in and stuff coming out. It is important to think of it like that. It takes away the pervasive thinking that forests will accumulate carbon and they will just keep accumulating; there is actually a process of loss.

When we take carbon out of the forests we put it into another dam called the 'wood products' dam. So that is the same as a forest in that you have carbon coming in from new wood products, but wood products are not immortal; you have losses. At the end of the day wood products decompose or they burn or they rot in landfill. You can store this carbon outside the forest. The biggest thing, though, is that you can take wood from the forest directly or you can take wood products and you can substitute the burning of fossil fuels, and that's where your greatest mitigation benefit is going to come. That is where you are going to get the best long-term result because you can't go backwards in time and un substitute. As you substitute the burning of fossil fuels, so you accrue emissions reductions and they can't be reversed.

Forests and wood products can be reversed. Forests can burn or die and wood products like this table will eventually rot or burn, so it's not a permanent one. The way we are thinking at the moment in Tasmania is only on the forest carbon side. We don't even entertain or debate wood products, so we are missing out on having a discussion about what would be the best long-term wood products that would substitute for the most emissions. Then we don't even talk about what possibilities are there to substitute fossil fuels, like using wood waste for burning in a kiln, heating schools using wood waste locally so you don't have to haul it. We're not even having these discussions.

At the moment we're asking the wrong question. We are asking how can we maximise landscape carbon, which we think is the ultimate answer to reducing greenhouse gas emissions. We're not asking the question: what is the best role of forests with these three methods? The literature says it is down here. If you were thinking on here it would help you answer this question. For example, large-scale structural lumber is probably going to replace more steel than smaller grade. So if you can make laminate with your lumbar, if you can make structural members and then use that in your building and alter your building code and encourage the use of wood instead of cement, you will get your greatest benefit.

When you hear the discussions in Tasmania, everyone focuses on landscape - one-third of the possible role of forests.

CHAIR - Thank you very much.

THE WITNESSES WITHDREW.

Mr GRAHAM WILKINSON, FOREST PRACTICES AUTHORITY, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

CHAIR - Welcome, Mr Wilkinson. You have appeared before enough parliamentary committees, I think, Graham, to know the score as far as parliamentary privilege goes. Thank you very much for appearing today. We have the one term of reference, obviously, so you might like to make some comments with regard to that.

Mr GRAHAM WILKINSON - I would like to base my evidence today on a publication that is on the public record. I would like to table that as my evidence essentially. It is an article that was published in *Forest Practices' News* just recently. I have copies here that I can circulate and I will be basically speaking to that evidence today.

Perhaps my opening statement is to voice the concern of the Forest Practices Authority which is the independent statutory regulator for forestry in Tasmania, our concern about the process and the simplification of this debate into an argument about whether forests have to be reserved or not. We have serious concerns about that simplification because forest management is not that simple and by simplifying it, it certainly constrains future options and I think leads to perverse outcomes.

We do not think that the ongoing debate about the logging of native forest will be resolved simply through further reservation of public forest. We believe that there are some issues relating to how native forests are managed, particularly in relation to the public acceptance of practices that have served us well in the past but may now be seen in a different light socially; those practices such as clearfelling, intensive silviculture in natural forests, burning, impacts on catchments and impacts on biodiversity. Those are all issues that we believe should be central to the debate - in other words, how forestry is done, not just a matter of whether or not those values can be simply resolved through further reservation of public land.

I turn to the article that was recently published and just elaborate a little bit. The solution to the forestry debate is more complicated than simply transferring more public forest into the reserve system. There are a number of reasons for that. The first one is what we are trying to achieve by reserving forest and this whole notion and definition of high-conservation-value forest. All forests have conservation value. This is a gradient from areas that have outstanding values that can only be best protected through excluding human activity through to forests that have a range of values that cope and manage and respond very well to human activities, human land use.

There is no agreed definition of high-conservation-value forest and I am concerned that the current debate is not focused on any sort of systematic process of defining high-conservation-value forest. There is no systematic process; it is not based on science. I do not have a problem with that. The systematic process that was developed for the RFA did follow good science, it did apply the principles of biological conservation based on science, based on surrogacy of protecting biodiversity. It also identified the cultural values of the forest and the other uses of the forest and could attribute a value to those. I have no problem with people looking at tall wet forests and saying that they have values because of their longevity, because of their stately appeal, because of the aesthetic of

them; I have no problems with reserving those forests if they are the values that we attribute to those forests.

Those forests do not have high biological conservation value compared to other forests. So by putting those into a reserve and by ignoring some of the forests that have the top-of-the-list biological conservation values we are doing a disservice to biological conservation. The RFA very clearly showed that the conservation priorities for Tasmania were the dryer forest types, particularly those on private land. That is where we had many unresolved issues in terms of adequacy of reservation and protection for threatened species and for threatened vegetation communities.

I understand from the Statement of Principle, and I have not been involved in that process at all, that private land is not up for consideration so I simply fail to see how the reservation of more public land can address the chronic conservation needs that we have on private land. The other issue about conservation values is that they do not respond to readily putting lines on maps. I have heard of part of the process at the moment which is people getting a Texta colour and drawing a line on the map and saying that that is high-conservation-value forest. That is a nonsense. Conservation values occur at all different scales, temporal scales and spatial scales, from very large ranges for species like wedge-tailed eagles through to very localised cryptic habitats for things like highly endangered orchids.

You cannot possibly hope to capture all of that diversity in a reserve system unless you reserve all of the native forest. If you are going through a process, it really has to be systematic based on capturing the major conservation values and then having a process that manages the values that will inevitably occur outside of reserves through some other process. And we have that process in Tasmania; it has operated for 25 years. It is called the forest practices system. We do detailed assessments at the site level, identify the values that are there, reserve them if they are such that they need to be protected by reservation, buffer them if that is an appropriate management strategy, or manage them by prescription, noting that many of these species respond quite happily to disturbance and recovery. It is part of their natural ecological process.

So there is an issue there in terms of can we ever draw a line on a map and say we have done what we need to do in terms of managing the conservation values of the forest? No, we cannot because we do not have that knowledge, we do not have detailed surveys across all of our forest estate. By and large, the only time that detailed assessments get done is when someone is proposing a development and in forestry that is generally a proposed logging operation or clearing for agriculture.

At that time under the Forest Practices Act we have very comprehensive site surveys done that identify what is there. We have no knowledge of what occurs elsewhere in the forest. We have better knowledge of the values that occur in logging areas than we do in our national parks which are purporting to protect these values. We just don't have the capacity to systemically go out and do a biological inventory, when many of these species aren't even described taxonomically, to satisfy ourselves that any attempt to put all these under a reserve system today or tomorrow will be successful. This is an ongoing process. As we assess the forest, get applications brought forward and identify values that are best managed under reserves, we should have the flexibility to put those

into reserves in an equitable manner, not to try to prejudge that before we've even done the work on the ground.

Part of the complexity of this is that the forest is a dynamic system; it is not frozen in time. A young forest today is an old forest tomorrow; an old forest today in a wet forest will be a young forest at some stage in the future through natural ecological processes. We cannot freeze values in time so by capturing things such as old-growth today we are not necessarily capturing those values into the future and we could be ignoring some of the conservation values that occur in the younger forests that may be worthy of putting into our reserve system in their own right.

There has been a concept explored overseas of moving reserves around in time and space to make sure we are capturing the values at the right level. These things change and anyone who has observed the impact on values from catastrophic bushfires will suddenly realise that what you were trying to protect by putting a reserve in place has been brought undone by having a catastrophic bushfire which has put the system back to day one, so the old-growth species may not be there now for another 300 years. Where are those old-growth values now protected? They are not protected necessarily in that reserve any more. We need a lot more flexibility, and we have that flexibility under the system that assesses and makes decisions on what our needs are. Societies values change over time and we attribute values to forests over time and we need to maintain that flexibility. At the moment we are putting a lot of values on biodiversity, which is proper. We have carbon lurking around the corner and there will need to be a mechanism for putting values on carbon and how we manage carbon. I believe we need to maintain some flexibility and to accept that the management of forests is something which needs to be done on temporal and spatial scales.

The other point of this is that once you put a forest into a reserve that doesn't necessarily protect the forest or the value. Forests need to be managed. Unless they are in remote wilderness areas away from humans, they need to be managed. The proliferation of reserves near populated centres with all their edge effects - exposure to weeds, illegal fires and woodcutting, four-wheel driving, rubbish dumping; all of those day-to-day issues of reserve managers - can't be ignored. We have seen evidence of reserves degrading because of what has been called in the literature 'benign neglect'.

Mr WILKINSON - Where would they be?

Mr GRAHAM WILKINSON - In my experience from New South Wales that would be reserves that have now been invaded by species such as lantana, where the access roads have washed out and eroded so there is erosion of streams and problems of weed infestation. Reserve managers essentially don't have the capacity to manage those things because they're getting no economic return from the forest.

Ms FORREST - And access is being diminished by the damage to roads and bridges in those cases, it would seem, if you wanted to get in and manage the weeds or whatever.

Mr GRAHAM WILKINSON - If we are going to keep all these forest assets, there is a price attached. In private and public forests that are used for harvesting there is an argument that the cost of managing those values is subsidised from the economic return from the forest. If they were transferred to reserve, that cost of management is

transferred directly to the public purse. If you look at the funding of national parks - and I don't have the figures with me - each time we add areas to the national park system there's not a commensurate increase in funding; in fact, there is a reduced per hectare level of funding, so reserve managers have diminishing capacity to manage these reserves. It is an issue that needs to be considered in terms of the capacity to manage another expanded reserve estate.

Ms FORREST - Do you think that the people of Tasmania would be supportive of paying an extra tax or levy to fund this sort of thing?

Mr GRAHAM WILKINSON - The evidence suggests not. Every time there's a public debate about diverting taxes away from hospitals, schools and other services towards paying for park management, there's not an upwelling of public support for that. If you go for a user-pays system and say we'll start increasing park entry fees, there is considerable opposition to that. It is all very nice to think that we can have these assets sitting there and that somehow we'll have the capacity to manage them but the reality is that they're not generating income and they become a liability on the public purse.

The other issue that I have with this simplification of the argument into 'it's either in a reserve or it's not' is that in the past we've seen that one of the perverse outcomes of putting more forest into reserves is that you get an intensification of wood production in the remaining forests. That certainly leads to perverse outcomes for nature conservation. It ignores the reality that, in the past, the concern from the public - going back to my opening comments - has been about how we carry out harvesting in these forests. So what we've done, I think, is to exacerbate that by reducing the area available and forcing people into more intensive forms of silviculture. Even if there is a large reduction in the volume, I think we will have difficulty achieving sustainable forest management across all land, particularly private land, because there will inevitably be an intensification of silviculture as a way of producing more wood for the industry that will bring it into conflict with the Forest Practices Code. I think it would also bring it into conflict with systems of forest certification. I think it is going in the wrong direction. We should be looking at less intensive silviculture in the natural forests and more natural systems, rather than locking into business as usual or, worse, an intensification of silviculture.

The other issue I have with declining public resource to produce wood is that, unless we stop using that amount of wood it just transfers the burden of wood production to somebody else's forest. That could be overseas forests. I do a fair bit of consulting around the Asia-Pacific region so I see what the standard of wood production is in those other countries and I think it's hypocritical of us to be importing their timber and professing to do the right thing by our forest while we're still exploiting somebody else's forests and getting far worse environmental outcomes. By transferring the wood burden to the private sector, we're also diminishing the other values of those private forests, whereas I've said earlier, some of those have the highest nature conservation values, so we're creating a real conflict there.

The other perverse outcome is that, as the private sector sees that native forest harvesting is under threat and is unlikely to have a long-term future, people increasingly start to see their forests as a liability rather than an asset. As a regulator, we are already seeing applications brought forward to essentially liquidate the resource now because they don't think that in five or 10 years' time there will be a market for that wood. Applications

that, in the past, would have been for light selective logging are now for clear-felling. We're seeing more pressure for conversion of the forest to other forms of land use. That's going to bring it right into conflict with the Government's policy on maintaining permanent native forest estate.

If you want to protect nature conservation values in native forests, you always start off with having a lot of native forest. That's why there is a policy on maintaining a large and extensive permanent native forest estate. That gives you the most flexibility to maintain the values of the native forest estate. We have a policy that restricts clearing to a level that equates to 95 per cent of the native forest estate that we had in 1996. We are almost at that limit now so there is not a lot more that could be cleared without essentially hitting the thresholds in the policy. That inevitably will result in pressure on government to make more land available for conversion. That would be a very perverse outcome for nature conservation; that, by protecting a bit of public forest, we actually lose the total amount of native forest that we have.

One of the consequences of the RFA has been that in return for getting more public forest into reserves, we've lost 150 000 hectares of native forest from our total estate. Nearly 5 per cent of our native forest has been converted to other land use.

They are the sorts of perverse impacts that we might have, particularly from the private estate. Private forest growers have voluntarily managed their forests for a number of uses, including biodiversity. They complied with the Forest Practices Code and they have voluntarily made a tremendous contribution to nature conservation values. We are putting that at risk. Under the provisions of the Nature Conservation Act, if we knock back a forest practices plan, the landowner is entitled to seek compensation from the Government and the responsible minister must either assess and pay the compensation or remove the constraint on that operation. There is a huge potential liability; 850 000 hectares of native forest that contains a lot of threatened species, a lot of threatened communities and we are already seeing claims brought forward for people who were not really contemplating doing any forestry on their land but they are seeing the compensation option as one way of voluntarily putting their land into reserve and receiving a payment from government.

There is nothing wrong with that, that is a really sensible thing to do if we want to acquire those values, but if people do not take the option of managing those forests for a number of uses and just put up an option, 'I want to convert it to another form of land use and if you stop me then I need compensation' and we lose the middle ground which is that you can do some harvesting, some grazing, some land use and protect the values, then there is no cost on the public purse. The landowner gets economic use of the land and, to me, that is a reasonable way forward, and it has worked for the last 25 years. We have had very few claims on government arising from forest practices that have been refused. We have had some, but very few, and the ledger would have to say that the nature conservation achievements on private land have been outstanding in Tasmania under a system that allows them to do some use in a regulated manner.

Ms FORREST - I understand what you are saying and you can understand the economic drivers for a farmer to recoup some of the costs associated with that native forest crop that he has, but in doing that, if the farmer decides to reserve it or conserve it and they get a compensation payment from the Government - I am not sure how the Government

are going to fund all these if they have to, but that is another story, but assuming that they could for a moment - then that is a one-off payment and designed to last for the rest of however long -

Mr GRAHAM WILKINSON - Eternity.

Ms FORREST - Yes. This is where a comment has been made previously that that farmer could then sell that land and the next person then has the responsibility of managing that native forest estate with no money and no income.

Mr GRAHAM WILKINSON - The Government has a liability, if it has entered into a conservation covenant, to presumably go out and check that the covenant is being complied with. So there is a resourcing issue there for government, does it have the capacity to go out and check on all these conservation reserves? Again, that is a cost to the public purse and if it finds that the landowner is not able to manage that forest in good condition because there is no more revenue coming in -

Ms FORREST - Or it is a different farmer.

Mr GRAHAM WILKINSON - Or it is their children. 'Dad bought a tractor with that money but I cannot do anything about the weeds now and the fences have broken down and the stock are getting in there and there is no regeneration' -

Ms FORREST - A fire is going to go through sooner or later.

Mr GRAHAM WILKINSON - Yes, there is going to be a big fire one day - 'and the roads are washed out and there is a lot of erosion going on, but I just do not have the capacity to manage that'. What is the Government going to do? Prosecute them? I do not think so.

I think we are creating a long-term liability here and, from my involvement with the private sector, most of them do not like covenanting their land. It puts them in a straightjacket in the long term. It removes many of their options and most of the people who I talk to say, 'If the Government wants it, then the Government should buy it and stick it under a reserve and free me of the ongoing responsibility'.

Ms FORREST - Then they are responsible for the management of it from that point on. That is the difference here, isn't it? How do they fund that? You do not manage that either because you are not the Government.

Mr GRAHAM WILKINSON - I do not think that there has been any proper economic analysis done. I think the reserve system has a place in forest management, there is no doubt about that, but we have to be very careful about doing the proper economic analysis, the full cost-benefit analysis of where reserves are best placed and whether we have the capacity to manage them and look after them really well. Unless we have the capacity to reserve all of our forests and the community are prepared to fund and support that, which they are not, then inevitably we have to have a position where we can manage these other values outside of reserves in a reasonable manner that allows people to go about getting some economic return from the forest whilst protecting the value. So you come back to a system of regulation.

We're putting that at risk because the more we put into a reserve and if we end up with intensification outside of reserves, then we almost certainly could not even achieve the standards of the current Forest Practices Code. We have prided ourselves over 25 years of continuing improvement and this would put us in the situation of saying, 'We will probably now have to take a lesser standard on this land to allow wood production to go through', and to me that's a backward step.

CHAIR - Graham, whilst we're talking about the Forest Practices Code and in terms of protecting our biodiversity, environmental values and everything else, it was put to us that the current code is very deficient in that respect and that an independent analysis was done of it, a report, and came up with that conclusion. What is your response to that?

Mr GRAHAM WILKINSON - That's an interesting interpretation.

CHAIR - Not my words.

Mr GRAHAM WILKINSON - I have to say that when we talk about the Forest Practices Code there is a document called the Forest Practices Code and that brings in a whole bunch of planning tools. So we have a whole bunch of fairly sophisticated planning tools, including expert decision-making systems for delivering prescriptions for threatened species called the Threatened Fauna Adviser. As part of our periodic review of the code, we commissioned an expert panel to review the biodiversity provisions of the code and we had previously set up an expert panel to look at the soil and water aspect. So we like to do things phonetically in depth, as well as an overall review. That panel deliberated for about 18 months and delivered a report, which is publicly available. It's on our website. It's a long and very comprehensive report.

The findings of that report were that we have a very good system here, a very comprehensive system, for managing threatened species and biodiversity, probably the best that exists anywhere in the world, and the panel went on to recommend further improvements. Many of those improvements were not related to what the code could do but were related to the broader policy settings.

One of our concerns is that there is nothing in legislation in Tasmania that specifically says what the objectives for managing biodiversity should be. So you won't find that in the Nature Conservation Act or in the Threatened Species Protection Act. So as a regulator, we have to somehow second-guess what we're trying to achieve on each parcel of land that is presented to us in terms of an application for a forest practices plan. There is no objective that says every species and every organism must be protected. There is nothing that says, which is the normal scientific approach, that we protect representative populations and we make sure that ecological process is occurring so that the values are maintained over time. So there is a lack of overall legislative and policy guidance as to what we're trying to achieve.

The panel zeroed in on that and said that that big setting, which applies not just to forestry but to all land-use activity, should be clearly articulated. So we can then judge, under the forest practices system, whether we are achieving those objectives. I think that is the bigger picture here of what we are trying to do. If you look at a topical issue like swift parrot: the swift parrot has a number of threats and those threats don't just occur in

Tasmania because it's a migratory species, it goes to the mainland as well. From a forest practices perspective, we can zero in on some of those factors that we think are important to the maintenance of the species, which is the maintenance of habitat for foraging for food and breeding. We can't control the other threats to the species - flying into windows and breaking its neck, or predation by cats and foxes on the mainland - so you need an overall approach to how that species will be managed. The swift parrot is an interesting species because most of its prime habitat, critical habitat, is on private land, so it is another example where putting public forest into reserves is not going to help the swift parrot. That issue will not go away. There is a perception that by putting a lot of public forest into reserves we solve some of these problems and there should be not quite unfettered wood production in the remaining land but an expectation that there will not be constraint. That would not be the reality because there are many others - masked owl and a whole bunch of species - that just will not be accommodated by protecting more public forests.

CHAIR - I think you have answered the question. So categorically, without putting words into your mouth, we have one of the best systems in the world?

Mr GRAHAM WILKINSON - I do not think there is any doubt about that. The feedback that I get nationally and internationally is that the system of regulation we have here, the system of environmental assessment and the way we develop management prescriptions and apply them at the forestry operational level, and the way we monitor and enforce is without a doubt one of the world's leaders. Where people have a problem with Tasmanian forestry is they do not like some of our policies. They do not like clear-felling of native forests - large clear-fells. They do not like the way we are burning huge amounts of debris.

Ms FORREST - Maybe we should be using other options to get rid of that.

Mr GRAHAM WILKINSON - There are those large issues of how we are going to manage our forests in terms of -

Ms FORREST - They do not appear to be part of this debate.

Mr GRAHAM WILKINSON - They should be part of this debate.

Ms FORREST - But they do not appear to be. Is that part of the problem?

Mr GRAHAM WILKINSON - If you halve the public forest and then halve the wood supply, that does not fix the problem because you still have community concern about big industrial intensive clear-fells in native forests, huge amounts of debris being left, carbon implications, burning implications, all of those sorts of issues. So I think this is an opportunity for not just business as usual but on less land, or even to intensify what we are doing on less land, but to re-think what is the best long-term use of our natural forests. The feedback that I get is that the community would like to see native forests continue to produce some of the really high quality products that it can produce. They value that but they do not want to see industrial-scale exploitation of natural forests. They do not want to particularly see that in plantations. There is no licence here to say that because it is a plantation you throw the rule book away and grow wood efficiently.

This debate will shift to plantations and already we are seeing the pressure, some of it quite appropriately, to make plantations more ecologically sustainable.

We have inherited a plantation estate from the days before we had things like forest practices codes. Some of the plantations around Fingal and up in the north-east should never have been cleared and put under plantation. They are steep erodable areas. When they are harvested after heavy rain the streams are eroding down to bedrock - they cannot go any further - but that is not a sustainable practice. So clearly we have a fantastic plantation resource, some of it of really high quality and very sustainable, but there are some issues there that need to be addressed as well. In return for protecting native forest we can put in this intensive regime over here that is going to keep everyone reasonably happy - I do not think it is as simple as that.

Ms FORREST - Going back a few years now, at a midwifery conference one of the speakers from the mainland was here with her husband and he went off for a drive during the day while she was presenting a paper. He was there that night for the dinner. He was crying in his beer because he had seen this terrible carnage of all these trees that had been cut down. I asked him where he had been and it seemed to me that he had probably been looking at a plantation that had been clear-felled and he was mortified to think that all these trees had been cut down. You have that perception. You don't want to throw the rule book out when it comes to plantations but the perception might change from clear-felling native forests and then we can't possibly clear-fell plantations, even though they are grown for that purpose. Then you get to the private land where you can have multiple use and still maintain those conservation values. How do we deal with all this and how do we get these issues into the debate?

Mr GRAHAM WILKINSON - You can't simplify this debate into putting stuff into reserves and then assuming commercial activity outside of reserves. That will not lead to a sustainable outcome. The approach that was set up under the RFA was a sensible approach. You look at where you need to have reserves and prioritise that - those areas where you have values that are best managed under reserves, for whatever reason. It might be to maintain sensitive biological communities, it might simply be areas where people like to go and they want to see big trees and they don't want to see them cut down. That is all very legitimate but you need to go through a process of evaluating that. Then we need a system of regulation that allows and respects that some people will want to do some land-use activities on land, but that should not be unfettered. There are important public values there.

Ms FORREST - On private land?

Mr GRAHAM WILKINSON - On public land or private land. Simply because it's private land does not give you the right to destroy what is a public common pool resource. Biodiversity is not a private good; it is a public common pool resource. Water catchments are not private goods. You may privatise land or trees but you don't privatise these other public values. Most landowners know that it is not their right to destroy catchment or streams or to kill an eagle because it chooses to nest on their land. There is a point where the community expects landowners to provide a public good without any public recognition of that. I think we pretty well have the system already that allows people to go about their business, but there is a duty of care imposed on that landowner as well. If you look at 25 years of forest practices, about 900 operations a year, the

number of disputes that go to a tribunal and result in a compensation claim is on average about three or four a year. You will always find a landowner who says, 'I'm not very happy because I was stopped from doing what I wanted to do and I haven't been adequately compensated'. Sure, those people are out there but in most cases we have ended up with a nice balanced approach that allows some use of the land, economic return, and we've managed to protect most of the values under a duty of care. If they are really seriously significant issues that cannot be managed under that approach, then the legislation allows for us to reject that application totally and then it goes under the Nature Conservation Act as a compensation claim.

CHAIR - If we take more forest out of the public resource then it puts more pressure on the private resource. In your position I presume the arbitrary lines on maps from this extra 570 000 hectares would be concerning to you in that they may not have been scientifically assessed. As you probably know, in the Western Tiers and other places we have had people say, 'These forests are being trashed and destroyed forever', but now suddenly they are HCV forests. That must be of concern to you.

Mr GRAHAM WILKINSON - I am concerned that this is not a systematic process. Reserving land is a big decision and it has to be based on systematic evaluation of the values. My perception of this issue - and I have spoken to some of the key players - is that this is people with a wish list with a fairly thick Texta drawing lines on maps, and when they are told what is actually there, they redraw a line on the map. This is not informed by science; the process is not engaged with scientists. All of the scientists that I speak to, from universities, government, the Conservation Trust, find the process bizarre and frustrating; they resent the process because this is not a scientific process. This is about ideology and this is about the continuing seeking of iconic areas because some people think they are important and they want their views to prevail and once that will be put into reserve the debate will simply move on. So this will not resolve the issues of whether we have protected all of the forest that need to be protected. My main concern is that it is not systematic, so it's not picking up the values because the people drawing the lines on the map don't know where the values are.

CHAIR - Obviously, if it does come to pass, it could be very deleterious to the whole public forest estate, the private forest estate and the economy of Tasmania. Am I right in saying that?

Mr GRAHAM WILKINSON - Well, the question is whether Tasmania has the capacity to become a national park and to generate enough income to sustain the economy through the use of a national park?

Ms FORREST - Are people willing to pay for that? That was the question and you said no, they're not.

Mr GRAHAM WILKINSON - History says they are not willing to pay for that. They like to think that it's there and government will find some way of managing these areas and providing access and facilities. They'll pay a limited amount but I don't think that they understand the consequences. The vast population won't visit a million hectares of reserves; they'll go to a few developed areas where they'll expect to see facilities paid for by someone, preferably not them. So this is all about ideology. Forestry is no different to mining; it's exactly the same issue. If we can afford to ignore the valuable resources

and decide it's all too difficult to try to sustainably extract those resources and we can afford to make those decisions then that's okay, society can do that, but not if it means we simply go somewhere else and extract the resources from somebody else's land where the environmental consequences may be far worse.

Dr GOODWIN - You've made the comment that there hasn't been a systematic process here in terms of identifying what is HCV and worthy of being locked up. Is it feasible to undertake such a process and how long would it take?

Mr GRAHAM WILKINSON - Yes, it's feasible, Vanessa, because we did it in 1996 in terms of the 18 months of preparation for the RFA, where we got as many scientists and experts together to basically say where we think the values are and to have a systematic approach. For example, in dividing the vegetation types into 50 communities that then act as surrogates for a range of biodiversity, you can't go out and survey all of the biodiversity of the forests so you have to use surrogates but they don't pick up all of the really cryptic things like the fact that there's only one orchid that only occurs here; it may occur elsewhere but we haven't looked so what are we going to do about that one occurrence there? So you can do it systematically but you can't do it in this sort of short time frame; it's an ongoing process. We've already made some decisions to put a whole bunch of land into reserves without any systematic process, so we've got this big area of reserve and we don't know how much biodiversity that's captured because we haven't done the inventory. That's a problem for us. To me it's a process that's ongoing as we come across areas.

We are doing it now; we have a bit of tension with Forestry Tasmania because they want to log coupes that we've identified at this stage as potentially critical for swift parrot habitat. There is a tension here. They have an obligation to provide contracts and we have an obligation under our legislation to protect threatened species, and that is leading to considerable tension. It would be nice to think that forest managers had enough flexibility, as they did in the past, to say, 'Okay, we'll defer those coupes and go somewhere else where those nature conservation values are not as critical while we decide whether this swift parrot habitat needs to be put into a reserve or whether logging it at this time would be detrimental to the species but perhaps some selective harvesting at another time may not be detrimental; in fact it may be a good thing to do'.

So we need some flexibility and time to work through those issues and we are just continually losing flexibility. It has become increasingly difficult for Forestry Tasmania to achieve its statutory objectives and for the Forest Practices Authority to achieve its objectives because we have very little room to move on some of these issues, and my concern is that that will worsen, not lessen, as a consequence of putting a whole bunch of forests into reserves unless the systems process resolves those issues for us and I'm not aware that they're at that level of trying to resolve those issues. It may be picked up opportunistically that the forest people want to put in reserves just happen to be swift parrot habitat but swift parrot is a good example because, as I said earlier, 90 per cent of the habitat is on private land and these talks are not addressing what happens on private land.

Dr GOODWIN - I suppose the point you are also making is that because things change over time it needs to be a fairly fluid process and keep going, so even if we do have a systematic process now that is not going to be the end of it, because if we are really

serious about preserving areas that need to be protected it needs to be an ongoing process.

Mr GRAHAM WILKINSON - If you look at how our systems are resolved we are getting better information on threatened species all the time, we are getting more sophisticated planning tools, we are getting more strategic information. In the past we were constrained by a landowner coming forward saying, 'Can I clear my forest?', and we did not have the context of whether that loss was going to impact on a number of values. We are getting better knowledge of that now so we can weigh up that, yes, that might be in the range of a threatened species that we know we have really good populations of out here and this a small percentage or whatever. So we are getting better at that. But again, for 25 years we've had a whole bunch of forest up there where landowners are not doing anything other than a little bit of grazing and firewood collecting. So the values are sitting there quite nicely, thank you very much, at no cost to the public.

When a landowner decides that they want to explore some alternative economic use of the land, that is when the assessment is done and that is when the system needs to be able to tell them, 'Yes, you can do that, we can sustain the loss of those values because we have good contextual information about that', or, 'No, you can't because this is critical and it needs to be protected', and we need to have provisions like we do under the Nature Conservation Act that say the State will pay to protect those values. I think how we do that needs to be looked at but at least that provision is there.

Or we have this middle ground which picks up 99 per cent of cases which is that there are some values there and by negotiating a reasonable level of regulation we can allow you to go out and do that harvesting or whatever it is that you want to do and make sure those values are being sustained in the long term. Even if the forest is cut and there is a short-term loss of those values we know that in the longer term those values are back there again, so we can put that into contextual information. We do not want all of our old-growth cut down and it is now regeneration because we have lost our old-growth values, but it becomes a percentages game.

In certain areas we can say, 'Yes, that forest can be cut down because we have really good representation of old-growth in the immediate area, lots of hollows for these birds so we are not putting any species at risk', or, 'No, you're in a part of the State unfortunately where we've lost most of our old-growth attributes and if you lose that now we're going to put at risk species like the grey goshawk'. We know where those areas are in the State. We have some in the north-west where we are now getting to critical levels of having enough old-growth - and I'm not talking old-growth forests, I'm talking about big old trees with hollows in them in places in the north-west for species like goshawk.

CHAIR - Graham, I am conscious of time I have to be gone by 3 o'clock and I know Paul and Ruth have some questions.

Mr HARRISS - Firstly, Graham, you made the comment earlier that the forest values are not static. Does that suggest that the RFA was not dynamic enough even though we have five yearly reviews we have not added to the reserves through the RFA and the Community Forest Agreement?

Mr GRAHAM WILKINSON - No, I think the RFA put a structure in place and that tried to achieve what is called 'the CAR reserve system' - comprehensive adequate representative. It went a long way to achieving that, so it met the international benchmarks for having a representative reserve system, the biodiversity - so a big tick. It identified where we had shortfalls and it put in place procedures for trying to pick up those shortfalls. Most of the shortfalls were on private land, so it developed the private forest reserve program that tried to pick up those values on private land. There is unfinished business there, so we haven't quite achieved the CAR criteria that we were hoping for.

I think the RFA had a really good process of saying, 'This is what we've put in place and here is continuing improvement'. We need to try to pick up these values on private land and elsewhere where they occur and outside of reserves we need to manage by prescription. The RFA endorsed the forest practices system as a really good way of accommodating these values over time as forests were put forward. I don't think there is anything wrong with that approach. We seem to be throwing that away and saying it's all too difficult, so let's just put some more forest in reserves and see if that fixes the problem. It is not going to fix the problem.

Mr HARRISS - This paper of yours suggests the risk of being polarised into reserves or into intensive wood production zones, but if the principle becomes an agreement and that we transition out of native forest harvesting, that is not an issue, is it? We won't have wood production zones in our native forests; it will only be in plantations.

Mr GRAHAM WILKINSON - They occur in native forests, of course. Taken to extreme, if you transition out of native forests on all public land and all private land, then you're only left with producing wood out of plantations and other people's forests. Don't forget other people's forests. We import \$2 billion worth of wood products into Australia and it comes from other people's forests. I've seen how some of those forests are treated, and we're not doing a responsible thing globally by thinking: we'll protect our forests and go and exploit somebody else's.

Mr HARRISS - Finally, who has recorded the informal reserves which have been produced as a result of the application of the Forest Practices Code?

Mr GRAHAM WILKINSON - That's a good question. They are recorded on forest practices plans and by virtue of being recorded on a forest practices plan they become vulnerable land, but they are in formal reserves. If the landowner in 20 years time put forward another application then that would be assessed on the criteria that applied at that time.

Mr HARRISS - Do we have a really accurate grab of those additions to our reserves which have arisen because of a result of the application of the code?

Mr GRAHAM WILKINSON - No, we don't. We've never sought to have a systematic inventory of that. All streamside reserves, for example, that's a given. A streamside reserve is a streamside reserve, but we don't map that and add it up. It's a good question. If we had more capacity it would be great to be able to capture on GIS all of those informal reserves because that gives us good contextual information. We're trying to develop that capacity at the FPA. At least now we've got a record of FPPs. We know

where we have protected areas of habitat and that gives us part of this contextual information. So if someone is wanting to do something on this bit of land here, we can look around at the history and see where informal reserves are being left in buffers and things like that and that is important information for us.

Ms FORREST - Just in regard to the Forest Practices Code, when was it put into place, how long was it to last and when were reviews expected?

Mr GRAHAM WILKINSON - The first draft code came out in 1985 and then that was made into a final code in 1987. That was then revised again, I think, in 1994.

Ms FORREST - Under a statutory process?

Mr GRAHAM WILKINSON - Under a statutory process involving public submissions. We then revised it and reissued a code in 2000. We initiated another review in 2007.

Ms FORREST - Is it a 10-yearly process?

Mr GRAHAM WILKINSON - It is not prescribed in legislation. We are required to report every five years on what improvements have been made to the system generally, so we take that as a way of reporting on what progress we've made with the code. Most of the improvements between 2000 and now have been in the planning tools that support the code. So the code, if you like, contains more of the general prescriptions and principles. The detail on managing threatened species sits outside of the code in separate planning tools. In that way we have been able to keep the code very up to date by keeping the planning tools up to date. Having said that, we do think that it is healthier to systematically review the code periodically. There have been some changes. There are some areas there that we would like to make progress on, which is why we commissioned the independent review of biodiversity, to see where we could make further improvements there. We have review of the code on halt -

Ms FORREST - At the moment?

Mr GRAHAM WILKINSON - Yes. Twelve months ago we advised the minister that we were not proceeding with a review of the code because there were some high level policy issues that needed to be resolved. Essentially, 95 per cent of the code, which are the technical aspects - things like how far apart you need to put grips on tracks to prevent erosion - are not controversial. They do not require government guidance on that. They are technical matters and they are all okay.

Ms FORREST - What are the policy areas that need to be sorted out before you can progress that?

Mr GRAHAM WILKINSON - I can articulate those to you because we have, again, raised this in articles in forest practices news. Firstly, we would like some guidance on what the overall objectives are for managing biodiversity in Tasmania, what the goals are that we are supposed to achieve and how we can then translate that into prescriptions at the operational level. We think that it is within the realm of government policy that they should be stating what level of intensification of forestry is now acceptable in native forests. Tasmania, by international standards, has one of the largest clear-fell sizes in the

world. There are some good reasons for that in our wet forest types, but in our dry forest types we know we do not have to clear-fell. But there is nothing in the rule book that prevents a landowner from saying, 'I wish to clear-fell my dry forest'. Particularly in the current situation, if there is a sale now but there may not be in the future, we will see a lot of applications just to clear-fell. There is nothing in the code that would allow us to stop that unless there is a threatened species or something like that. So really that is a high-level public policy issue. Are we going to allow forest to be clear-felled or are we going to go down a pathway where we looking at more less intensive forms of silviculture in native forests.

There is smoke from planned burns. We have seen that go from not being a public issue a few years ago to suddenly now being a matter of great public concern. It is not easy to resolve that one because it is tied in with current forest management regimes. We cannot just stop burning slash from Forestry without thinking of the consequences on the type of forestry we are doing.

The impact of forestry on water catchments is an area of concern, particularly in plantations and not so much for native forest. But as we shift to plantations, that will become more of an issue. One is the effect on yield, particularly at the subcatchment level; plantations use a lot of water. If you are serious about commercially growing plantations than you are going to use pesticides and intensive regimes and there are issues about how sustainable that might be perceived by the public.

The final one is public engagement. The FPA has always endeavoured to make our system as accountable and transparent as we can, but there are some high-level policy issues in terms of how the public might be better engaged in the setting of forest policy and in reviewing how forest policies are implemented on the ground.

CHAIR - Graham, thank you very much.

Mr GRAHAM WILKINSON - Thank you for the opportunity to comment on this process.

THE WITNESS WITHDREW.