

Legislative Council Tasmania

Committee of Inquiry into the Tasmanian Forests Agreement Bill 2012

Submission by George Harris

January 2013

I appreciate the opportunity to present a submission to the Legislative Council Committee of Inquiry. I present on my own behalf as a self-employed designer/manufacturer of furniture and timber products in Tasmania's unique Special Timbers for the last thirty years, and as a representative of the Huon Resource Development Group.

I declare my involvement in a range of organizations in a honorary capacity, as follows:

**President**, Huon Resource Development Group, which is affiliated as a branch of Timber Communities Australia.

**Chairman**, Fine Timbers Tasmania inc. a not-for-profit organization that owns and operates the Chain of Custody system for Tasmanian timbers. See: [www.chainofcustody.com.au](http://www.chainofcustody.com.au)

**Committee member**, Woodcraft Guild Tasmania inc. and Past President on two occasions

**Committee member**, Furniture Designers Association inc.

Member, Australian Labor Party

I declare that I was engaged as a consultant to the Independent Verification Group during January and February of 2012, and was remunerated for a total of ten days' work, at the end of which I submitted a report.

I submit that the Tasmanian Forests Agreement Bill 2012, (the Bill), is so wrong on so many levels that it be not accepted by the Legislative Council in its current form. It may be the case that the changes necessary to make this an acceptable piece of legislation would be such that it could not be supported by the parties in government upon its return to the House of Assembly.

I urge the Members of the Legislative Council Committee to consider all the evidence presented to it, and to have the courage necessary to make the decision you feel is in the best interests of those most seriously affected as well as the community at large.

I believe the process that ultimately delivered this Bill was deplorable, and that parties to the negotiations deliberated under duress. I believe the actions of many people that contributed to delivering this situation were deplorable, and I believe an objective analysis of what is sought by this Bill would show this Bill is not in the interests of the industry or the community.

I seek to give evidence wearing several hats, including that of a Special Timbers user, a member and Branch President of TCA, and as a rank and file ALP member. I have in the past been close to officials of the CFMEU, and attended the ALP National Conference in Sydney in 2007 as a guest of the Union's delegation. I have participated in many industry meetings since 2010, including some of those known as the industry reference group or industry caucus, specifically as someone involved with Special Timbers.

I seek to present evidence on a range of issues in this written submission, and would like the opportunity to appear before the Committee to speak to elaborate on these issues.

## Summary:

The Bill is fundamentally wrong in that:

- It transgresses the terms of the agreement reached between the Prime Minister and Premier on timber supply, and contradicts undertakings given publicly by Ministers.
- It transgresses other legislated agreements and instruments of policy for which respective governments have no mandate.
- It transgresses existing agreements without addressing specified consequences, such as in the RFA.
- It was based on negotiations conducted under duress. The negotiations were characterized by misrepresentation and bullying.
- It was based on flawed processes and unreliable information.
- It rewards very bad behaviour.
- It is based on mechanisms that anticipate the continuation of bad behaviour but which has inadequate means of dealing with it, and as such could be inducing more of it.
- It was based on negotiations with organizations that cannot be trusted, and which have broken agreements and undertakings in the past, and which have attacked and undermined other organizations whose deliberations have not found in their favour.
- It cuts off too many options for the future. It is a mistake to shrink a viable industry at a low point in the economic cycle without adequately addressing structural, governance and security issues.
- It is wrong to cut the native forest industry when its impact on the environment has been comprehensively misrepresented and when the viability of a plantation based industry has not been proven, and no pathway to establish or secure its capacity to supply has been put in place.
- No adequate commitment to support or not object to a plantation future has been sought or given.
- It has a substantial, unjustified and unacceptable impact on the capacity to supply Special Timbers.
- It will result in the reduction in sustainable supply of the non-Blackwood species of Special Timbers of between 60 – 80%.
- It fails to recognise that the Special Timbers Strategy (2010)<sup>1</sup> prescribes very low impact logging involving no clear-felling, no regeneration burning and rotations of 200 years or greater, and involves very low rates of harvesting across its area.
- The nominated Special Timbers zones in the Bill have not been adequately assessed for the presence of Special Timbers in terms of quality, density, accessibility or suitability for purpose.
- It reduces the capacity of the whole industry to supply high value products for which demonstrated demand continues, and seeks to drive the industry down to lower value products which may not be viable and which are too exposed to competition.
- It reduces the scope for the community to receive a dividend from the industry, and requires too much contribution from the community to restructure the industry in a manner which has little justification.

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<sup>1</sup> <http://www.forestrytas.com.au/uploads/File/pdf/pdf2010/special%20timbers%20strategy%20ssml.pdf>

- It is an unacceptable way to treat a major renewable resource-based industry.
- It will have a detrimental impact on the state's economy and the state budget, and on regional economies, regional populations and local government councils.
- It will have a detrimental impact on small businesses in rural areas.
- The manner in which World Heritage values have been assessed and promoted are inappropriate.
- The manner in which World Heritage nomination is being progressed is unjust and inappropriate.
- The broader community has not been consulted in any meaningful way, and would have no capacity to object or make changes in a meaningful way.
- It would deny the community the fundamental opportunity to object through the ballot box while making comprehensive and irreversible changes to a major industry.
- The Bill is a dud deal... it is a dead parrot! (see link)  
<http://www.bing.com/videos/search?q=dead+parrot+sketch&docid=4545119961809033&mid=AE45AC5EF84945F2CAFD&view=detail&FORM=VIRE3>

### **Background:**

**Special Timbers:** The Special Timbers sector has always been fragmented, and never sufficiently organized to be able to advocate on behalf of all those who use and depend upon it. Recently a new organisation was launched, called the Special Timbers Alliance. This was formed in recognition of that fragmentation, and of the attack on the basis for which the Special Timbers sector even exists – the availability and supply of Special Timbers. An additional impetus was what was seen as the misrepresentation of the interests of the sector by three individuals to members of this Council in December last year in support of the Bill.

Special Timbers are the timbers that are unique and endemic to Tasmania, and are found in limited quantities in particular areas of our native forests. They are highly prized by woodworkers for their decorative qualities and their application to specific purposes, and include Blackwood, Myrtle, (especially Tiger Myrtle), Musk, Celery-top Pine, King Billy Pine, Huon Pine, Blackheart Sassafras, Native Olive, Horizontal Scrub and many others.

Special Timbers are the basis for the highest value-adding achievement of the entire timber industry. These species are the basis for a manufacturing industry that directly employs 2,000 people in FTE (full time equivalent) positions, and a further 8,500 people engage in related activities either as a hobby, or to a limited commercial extent.<sup>2</sup> These timbers cannot be substituted by any other timber.

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. These have put locations like Strahan, Richmond, Geeveston, Stanley, and Salamanca Place on the map. They have given outlets like the Design Centre in Launceston and the Tasmanian Wood Design Collection a well deserved international reputation.

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<http://www.forestrytas.com.au/uploads/File/pdf/pdf2010/special%20timbers%20strategy%20ssml.pdf>

The presence of an industry based around Tasmanian 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.

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. Our Special Timbers present the artist with a riot of colours, a richness of texture and grain patterns and a luxury of sublime aromas that fill workshops and turn retail galleries into magic places bringing forth many comments from visitors to the state. Special Timbers are an intrinsic part of the Tasmanian brand, and share the stage with our fine wines, full flavoured boutique beers, superfine wool, Leatherwood honey, quality apples and berry fruit varieties, and our quality salmon, trout and shellfish.

The Australian Wooden Boat Festival in Hobart is a reminder of just how special our boat building timbers are. Huon Pine, Celery-top Pine and King Billy, which only grow in Tasmania, are recognised internationally as among the finest boat-building timbers available. This festival is not just about museum pieces, magnificent though they are, it is just as important for new work, for keeping skills alive, and for creating new opportunities. What a tragedy it would be if new work in wooden boats could only come from imported timber and plywood, and 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 the Wooden Boat Festival has become, and the contribution made to it by the nature and reputation of our endemic boat building timbers.

The making of musical instruments is emerging as a significant activity in Tasmania, and many makers are including Tasmanian Special Timbers in their work. There are around sixty active makers, and their work includes guitars, (both electric and acoustic), violins, harps, drums, recorder, clarinet, and recreations of medieval designs in string and wind instruments. In terms of dollars per tonne, musical instruments bring the greatest return of any downstream processing activity in timber.

The presence of a vibrant arts community is a factor in the presentation of the state as an attractive visitor destination, and the mark of a mature community is the comprehensiveness of its arts, cultural and education facilities, and the capacity it has to service its own community aspirations in these areas. The presence of a unique timber resource should bring the expectation of facilities and programs to take advantage of it, in the areas of education and training, and research.

The University of Tasmania supports furniture design courses in two locations, with post-graduate opportunities, through the School of Architecture in Launceston, and the School of Art in Hobart. The Co-operative Research Centre for Forestry is attached to the Hobart campus, and relates closely with the local industry, as well as to national and international research projects.

The viability of each and all of these would be jeopardised by significant retreat of the timber industry in Tasmania from native forest sourced timber.

The Special Timbers sector cannot exist on its own. It relies on the presence of associated activities in close proximity. The transition of other activities out of native forest would lead to severe problems for the Special Timbers sector. Even if the area available for Special Timbers harvesting was to remain the same, and other activities (such as eucalypt saw log recovery, pulp and chip log recovery) were to cease or significantly reduce, the viability of the Special Timbers sector would be threatened. The current harvest of Special Timbers is too small on its own to generate enough royalty payments to pay for forestry road extensions or maintenance, and is too small and dispersed to attract harvesting contractors as they currently operate.

Not all Special Timbers are represented in good quality across all areas of native forest. Some species are present in some areas, but not others. Timbers like King Billy and Huon Pine are severely restricted by the scarcity of the circumstances in which they thrive and where other species are less able to compete. Close to 90% of the standing Huon Pine is already in existing reserves, and more than 90% of the King Billy is already in reserves. The quality and colour of Blackwood is very much related to the soil in which it grows, and the best Blackwood is in the north west of the state.

Much of the area within the Special Timbers Strategy has not been previously harvested, and much of it has not been developed with a network of forestry roads. The proposed new reserves would lock up hundreds and possibly thousands of kilometres of existing forestry road. (Tasmania has around 14,000 kilometres of forestry road). Can we afford to do that with assets that represent such an investment? Worse, should we subject a smaller, more fragmented resource to the cost of replacing access roads knowing that recouping cost through higher royalties and contractor costs could be sufficient to drive Special Timbers product manufacturers out of business?

During the last thirty years, and directly as a result of campaigns by environment groups, the capacity to supply volumes of Special Timbers has been considerably reduced. This has particularly been the case with the species other than Blackwood. Blackwood is not a slow-growing species, and a good saw log can be available in 80 to 100 years. Blackwood is quite plentiful, particularly in the north west of the state, and it is the only species that is present in any volume on privately owned rural land. The Special Timbers Strategy recommended 12,500 m<sup>3</sup> was the total sustainable annual cut from its identified Special Timbers Zone, and that was recommended to be 10,000 m<sup>3</sup> of Blackwood, with the five major other species making up the balance: Myrtle, Sassafras, Huon, King Billy and Celery-top Pine. There are numerous other species such as Musk, Horizontal Scrub and Native Olive and etc. that are sought in smaller quantities. These are quite interesting and highly prized.

Myrtle is the most common species in the wetter forests after the eucalypts. Prior to the RFA, volumes available for harvest of 5,000 cubic meters were possible and achieved. The Tasmanian Community Forest Agreement of 2005 the maximum sustainable harvest was reduced to 500 m<sup>3</sup>. Under the current Bill, the maximum sustainable harvest is estimated to be about 100 m<sup>3</sup>. In fact, it has been suggested that the supply levels for all the non-Blackwood species with the exception of Huon Pine would be somewhere around 100 m<sup>3</sup> each. In the short term there is significant concern among the boat builders for the supply of suitable boat-grade Celery-top Pine. Celery-top can be quite knotty, and much of the resource is unsuitable and cannot deliver boat-grade timber. Celery-top has unique characteristics that make it the timber most sought after by boat builders, particularly for framing and decking as well as planking.

‘Tiger’ Myrtle and Blackheart Sassafras are highly prized by the craft and furniture industry, and the industry does not want to be stuck with a choice of Blackwood, Blackwood or Blackwood. Because of the nature of its dust, Blackwood is banned from use in all workshops in educational institutions in Tasmania.

The Special Timbers sector is not interested in trading to the end of some contract, or in seeking any compensation or shut-down money, it is interested in maintaining the opportunity for woodworkers many generations into the future to be able to engage in an iconic and rewarding activity that has significant cultural and heritage dimensions as well as social and economic benefits through careful and sustainable management.

**Timber Communities Australia:** I became President of the Huon Branch in late 2011, taking over from Alan Duggan. (I support and congratulate the submission made to this Committee by Alan Duggan). The Huon branch is known as the **Huon Resource Development Group**, and it grew out

of the Southwood Supporters Group, from which it changed its name around 2002. TCA membership in the Huon region existed well prior to that, including back to the days of the Forest Protection Society as it was known in the late 1980's.

The Southwood Supporters Group was formed specifically to assist the development proposal for the site and the concept, which was vigorously opposed by the Wilderness Society and other environment groups. That support was necessary, as the development proposal passed the Huon Valley Council by five votes to four, the narrowest of margins! Several former and current members of the Huon Resource Development Group, (HRDG), have served as local government councillors in the area.

Development on the Southwood site has since included the modern regrowth sawmill, the log segregation yard and the Ta Ann rotary peel veneer mill. The fully integrated site was to include a 30 MW bio-energy plant to consume residues. This was to provide all electricity to the site, and a surplus to the grid. Hopefully it will happen.

The HRDG continues to fully support Ta Ann Tasmania, and wishes to see it survive and prosper. The reasons Ta Ann were invited to come here remain valid, and were felt in line with what green groups said they wanted, which was the diverting of trees to higher uses and value adding rather than exporting them as woodchips. The original specification and intent was to use logs of small diameter and lower grade than saw logs. The intent was to complement the saw log industry and it did this. The HRDG supports Ta Ann Tasmania in pursuing greater downstream processing, including establishing plywood lay-up plants and addressing the Australian domestic market for value-added products such as structural plywood. The HRDG condemns the campaign against Ta Ann Tasmania and its parent company as dishonest, unfair, unjustified and deplorable. The HRDG condemns the individuals who have participated in this campaign for the tactics and behaviour they have employed, and note that some have included a staff member of former Senator Bob Brown, members of the Wilderness Society and members of groups they have established and nurtured. We note that former Greens state leader Peg Putt is now the CEO of Markets for Change, and former Senator Bob Brown is now a Board member. This group has used methods that would have had them in jail if they had been committed by members of a rival company, for example. Attacking this company's off-shore markets outside Australia's jurisdiction has been impossible to defend, and it has cost jobs in our community. Markets for Change has also taken action to try and damage other Tasmanian and Australian businesses in their markets around Australia, and it has sought to intimidate businesses within Tasmania. Former and current Greens politicians have participated in these activities, and the HRDG condemns them for it.

The Statement of Principles, and the negotiation process that led to the "peace deal": This was an ordeal for TCA, its staff, its branches and its membership. It has tested friendships and loyalties, and it has taken its toll. There have been differences of opinion, and differences in understanding, and always there was an expectation that the membership could reject a proposal if the members were of a mind to do so. There have been occasions where Tasmanian members have felt betrayed. A recurring theme is where members have not been happy, but it was felt by the organization that it was important to remain involved in order to be able to try and shape the next stage of play.

There seems to be a difference between the contemporary position of the Board and that of the long-standing Tasmanian members on the role of TCA, particularly with reference to this negotiating process, the Board and the CEO have been operating on the resolve that TCA is there to "support industry". While generally TCA supports industry, or the industry, the membership is more of the view that TCA is there to represent and support the community around the industry, and

while it supports industry to create jobs and economic wealth, the major focus of TCA is sustainable management and long-term access to natural resources for the benefit of the community. In circumstances where a business or collection of businesses in the timber industry might decide on a course of action, such as in this case, and it is perceived to have a negative impact on the community, this has become the source of disquiet amongst the members. Individual businesses might decide it is better for them to take shut-down money, but those who look at the impact on the community are less likely to like the idea, and this was certainly the case with the TCA membership in branches around Tasmania.

I would like to elaborate on this if called as a witness.

George Harris

Hobart

January 2013

**Footnote:**

I was criticised for commenting online, and for making particular comments, in the days leading up to and following the signing of the Agreement. I was encouraged to support the Agreement. It could be said I was lobbied, and some might say I was bullied. I resisted this, and responded in emails and online in parody. The context is as follows: One representative described the deal as a s\*\*t sandwich without any bread in it, and many references had been made to Neville Chamberlain and “peace in our time.” My parody included the following sketch, and there are numerous candidates, including politicians, to whom it could apply, and I include it in a light-hearted manner for your enjoyment: <http://www.youtube.com/watch?v=pmwmuPTa0To>