

Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012

Public Submission by Malcolm Mars dated 18 January 2013

1. Integrity of Committee

Unfortunately I have very little confidence in a Committee chaired by Paul Harriss who has publicly stated his opposition to the establishment of more reserves in Tasmania and who is listed on the public record as having received financial gifts on two separate occasions from Ta Ann Tasmania, a company which is set to benefit significantly should the Bill be passed.

http://tasmaniantimes.com/images/uploads/Mar7_P_Harriss_Pecuniary_Interests_Register_Excerpt_2008_ATTACH2.pdf

http://tasmaniantimes.com/images/uploads/Mar7_P_Harriss_Pecuniary_Interests_Register_Excerpt_2011_ATTACH1.pdf

<http://tasmaniantimes.com/index.php?/article/paul-harriss-mlc-should-resign/>

<http://tasmaniantimes.com/index.php?/weblog/article/paul-harriss/>

<http://www.abc.net.au/news/2012-03-13/20120313-mp-dismisses-pecuniary-concerns/3886054?section=tas>

Furthermore, Ta Ann Tasmania's website states in regard to FAQs on Forest Management in Sarawak, Malaysia that "*MLC Hon Paul Harriss, Independent Member Huon may have additional or other observations.*"

<http://www.taanntas.com.au/default.aspx?page=88d25afd-5bbe-4746-bcbf-396249643315>

I also understand from media reports that Mr Harriss, and other MLCs, may be members of Timber Communities Australia which is a signatory to the Tasmanian Forest Agreement and will be represented on the Special Council to be established by Part 4 (Clause 9) of the Bill.

All such members should immediately and publicly declare that they have an interest (pecuniary or otherwise) in the matter and remove themselves or be disallowed from participating in the Committee and subsequent debating or voting on the Bill.

http://tasmaniantimes.com/images/uploads/Mar7_LegCo_HoA_Standing_Orders_Excerpts_ATTACH3.pdf

In view of the above, I would question why the recommendations made by the Tasmanian Integrity Commission in June 2011 with regard to a Code of Conduct for Members of Parliament have not been implemented.

The Commission made the key recommendation that both the House of Assembly and Legislative Council adopt a code of conduct for the members of each chamber of Parliament and reported that:

It reflects increasing community expectations about the need for clearly delineated standards of conduct that will inspire the confidence and trust of Tasmanians through strengthening the accountability of Parliamentarians, Ministers and those who work for them.

The project also ensures that the review and updating of the Tasmanian codes of conduct framework at the political level is contemporary and sufficiently robust to set the direction well into the future.

It was requested by the then-Premier, David Bartlett, who sought feedback on the existing Government Members Code of Conduct and a draft Code of Conduct for Ministerial Staff.

The Integrity Commission has responded by researching best practice in this field, nationally and internationally. Research has included the first complete comparative analysis of all Australian codes of conduct for parliamentarians and government ministers.

The Commission's review, recommendations and three proposed model Codes of Conduct for Members of Parliament, Ministers and ministerial staff establish a comprehensive platform that reflects some of the world's leading views and practices guiding ethical conduct. This platform will underpin future training to be developed by the Commission for Parliamentarians, Ministers and ministerial staff in ethical standards and conduct.

The Commission's research has highlighted the fact that codes play a valuable role in defining and communicating acceptable standards of conduct and motivating individuals to demonstrate appropriate behaviour.

It has identified the need for codes of conduct to apply to all Parliamentarians and not only government members or members of the House of Assembly; for specific code of conduct direction and guidance to apply to Ministers; and for expectations of ministerial staff to be clearly defined.

The Commission has, accordingly, developed three model draft codes of conduct, applying to Parliamentarians, Ministers and ministerial staff respectively. Each code recognises and addresses areas of ethical issues relevant to community expectations of behaviour. The model codes are intended to be readily interpreted.

The Commission publishes this report in the hope that Parliament and the Government will accept and implement the following recommendations. The Commission will provide any support, expertise and resources necessary to achieve this.

The Commission also observed that:

The Legislative Council has no separate formal code of conduct. In its report, Public Office is Public Trust, the Joint Select Committee on Ethical Conduct recommended that the Council adopt a code of ethical conduct and a code of race ethics similar to the one already adopted by the House of Assembly.

The draft Model Code of Conduct for Members of Parliament developed by the Commission is as follows:

THE CODE

Conflict of Interest

So as to protect and uphold the public interest, Members must take reasonable steps to avoid, resolve or disclose any conflict of interest, financial or non-financial, that arises or is likely to arise between their personal interests and their official duties.

Members are individually responsible for preventing conflicts of interest.

A conflict of interest does not exist where the Member, their spouse or domestic partner, relative or associate is affected only as a member of the public or of a broad class of persons.

Declaration of Personal Interests

Members are personally responsible for disclosing their financial and other interests in accordance with their obligations under the Parliamentary (Disclosure of Interests) Act 1996.

Members who have a material interest in a matter being considered as part of their official duties must not vote or participate in discussions on that matter unless they have first declared their interest to Parliament, or in any other public and appropriate manner.

Improper Advantage

Members, during and after leaving public office, must not use their influence improperly in order to obtain appointment, promotion, advancement, transfer or any other advantage or benefit on behalf of themselves or another person or persons. Members, during and after leaving public office, must not use official information which is not in the public domain, or information obtained in confidence in the course of their official duties or position, for the advantage or benefit of themselves or another person or persons.

Members must not appoint their spouse, domestic partner or close relative to a position in their own office.

Members must not receive any fee, payment, retainer or reward, nor shall he or she permit any compensation to accrue to his or her beneficial interest for or on account of, or as a result of, his or her position as a Member, other than compensation to which they are entitled as Members of Parliament.

Improper Use of Public Resources

Members must not use public resources, or allow such resources to be used by others, for personal advantage or benefit.

Members must use and manage public resources in accordance with any rules and guidelines regarding the use of those resources.

Members must be scrupulous in ensuring the legitimacy and accuracy of any claim they make on the public purse.

Gifts and Benefits

Members must not solicit, encourage or accept gifts, benefits or favours which may give the appearance of an attempt to improperly influence the Member in the exercise of his or her duties, except for incidental gifts or customary hospitality of nominal value.

Members must declare gifts and benefits received in connection with their official duties as required by the Parliamentary (Disclosure of Interests) Act 1996.

Misleading Statements

Members must not intentionally or unintentionally mislead Parliament or the public in statements they make and Members are obliged to correct the Parliamentary or the public record in a manner that is appropriate to the circumstances as soon as possible after any incorrect statement is made.

Outside Employment

Members must not engage in any outside employment that involves a substantial commitment of time and effort such as to interfere with their duties as Members of Parliament.

Duties as a Member of Parliament

Members observe proper standards of parliamentary conduct and must take particular care to consider the rights and reputations of others before making use of the unique protection available under parliamentary privilege. This privilege should never be used recklessly or without due regard for accuracy

http://www.integrity.tas.gov.au/_data/assets/pdf_file/0005/189230/Codes_of_Conduct_Full_Report_-_Final.PDF

The following twelve MLCs, who are also members of the Committee, issued a media release on 13 February 2012 containing inflammatory and offensive remarks threatening “to block reserves if blackmail continues” in an “eco-terrorism campaign” of “straight out extortion” by “radical environment groups”. The use of such ill-advised language demonstrates a complete lack of leadership and hinders the facilitation of civilised and constructive debate on a contentious issue that clearly divides our community.

Rosemary Armitage
Ivan Dean
Ruth Forrest
Michael Gaffney
Vanessa Goodwin
Greg Hall
Paul Harriss
Tony Mulder
Tania Rattray
Adriana Taylor
Rob Valentine
Jim Wilkinson

In view of the above, it therefore appears to me that that the prime purpose of the Committee is to delay the implementation of the Agreement until the “*political environment improves*” (i.e. by the election of a Liberal Government) as stated by Mr Harriss in the media release.

<http://www.taanntas.com.au/userfiles/Documents/leg%20co%2013%20Feb%2012.pdf>

2. Environmental Sustainability and FPA

Although I support the reservation of the entire 504,012 hectares of public land detailed within the Bill I am extremely concerned that logging will intensify in non-protected areas (due to the potential relaxation of regulatory requirements for buffer zones etc. in order to meet legislated wood supply volumes) to the detriment of the biodiversity within our forests, including threatened species, together with the adverse resultant impact on our water catchments.

I therefore consider that the final report, background reports and recommendations arising from the review completed in 2009 by the Forest Practices Authority (FPA) on the science behind the biodiversity provisions of the Tasmanian Forest Practices Code should be implemented in full now that the Tasmanian Forests Agreement has been made by the signatories.

With the conclusion of the Tasmanian Forest Agreement the Minister has no valid basis on which to delay its implementation any further.

http://www.fpa.tas.gov.au/research_and_monitoring/fpa_special_projects/biodiversity_review_2009

In this regard the FPA notes on its website:

“The FPA has suspended the review of the Forest Practices Code whilst it seeks clarification from the government on matters of future forest policy, which include:

- *objectives for the management of biodiversity within forests*
- *the type and intensity of silvicultural regimes applied to native forests*
- *the management of smoke from planned burns*
- *the impact of plantations on water catchments*
- *public engagement in forest policy and planning.*

These matters form part of the overarching policy framework under which the forest practices system must operate. They have important social, economic and environmental implications that belong within the realm of broader governmental legislation and policy. The FPA is of the view that changes in policy are needed before these matters can be expressed in the form of operational guidelines in a revised Forest Practices Code to best serve the future.

The FPA warmly thanks those FPOs and specialists who have generously given their time and knowledge to the review process so far. These efforts are greatly appreciated and will not be lost. We hope that we can resume the revision of the code once the higher level policy directions from government are clearer.”

http://www.fpa.tas.gov.au/news/review_of_the_forest_practices_code

The Final Report on the work for the Independent Verification Group, chaired by Professor Jonathan West, made the following comments in this regard:

“It is noted that the recommendations from the Review of the Biodiversity Provisions of the Forest Practices Code conducted in 2009 have yet to be implemented. Some of the recommendations from this review relate to many of the issues identified in report 9A, including inter-agency responsibilities and legislative frameworks, the need for landscape-scale approaches to biodiversity conservation to be adopted, the need to better protect hollow-bearing trees, etc. Critically the report notes that the current code “lacks any explicit statement about specific biodiversity objectives and outcomes” and are thus not helpful for planning and operational requirements. The panel recommended a suite of changes to the Forest Practices Code, which I understand are yet to be implemented by the Tasmanian government.

Perhaps of more concern is the evident intensification of logging and conversion which has occurred since the RFA was signed, which has no doubt contributed to the current challenges re wood supply and which has also compromised conservation options outside the ENGO proposed reserves.”

http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg_capstone_final1-1.pdf

Australia has international responsibilities to maintain biological diversity and conservation values which are described by respected environmental scientist Professor Brendan Mackey in his Forest Conservation Work Plan which is a key contribution to the work of the Independent Verification Group for the Tasmanian Forest Agreement. Professor Mackey expressly states:

Australia’s international responsibilities are formally expressed through it having signed and ratified the Convention on Biological Diversity (CBD) which established consent to be bound by its provisions and subsequent negotiated commitments. The CBD commitments are implemented in Australia through the EPBC Act and Australia’s Biodiversity Conservation Strategy 2010-2030.

Australia is bound by article 8 of the CBD to, inter alia, establish a system of protected areas or areas where special measures need to be taken to conserve biological diversity; promote the protection of ecosystems, natural habitats and the maintenance of viable populations of species in natural surroundings; and rehabilitate and restore degraded ecosystems and promote the recovery of threatened species.

<http://www.environment.gov.au/land/forests/independent-verification/report.html>

http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg_work_plan_forest_conservation.pdf

I am extremely concerned that Tasmania's public forests have been logged on an unsustainable basis, contrary to regulatory requirements, on the false premise that there will soon be a transition into hardwood plantations.

For example, the credibility of the modelling carried out by Forestry Tasmania in 2011 which confirms that its Sustainable High Quality Eucalypt Sawlog Supply from Tasmanian State Forest dated 2007 (which forms the basis for its sustainable yield) provides an accurate estimate of the availability of hardwood plantations which are purported to provide 50% of the hardwood supply from 2021 requires to be independently assessed as it does not appear to reflect the reality that the vast majority of the current hardwood plantation estate comprises *e.nitens* which is only fit for pulpwood. It also appears that none of the current long term sawlog contracts with Crown sawmillers (recently extended by FT up to the year 2027) account for any transition into hardwood plantations.

http://www.forestrytas.com.au/uploads/File/pdf/pdf2011/final_report_signatories_resource_modelling.pdf

http://www.forestrytas.com.au/assets/0000/0113/SustSupply_RevNo3_100.pdf

This modelling has also been used as the pretext to defend the key finding of the Chairman of the Independent Verification Group, Professor Jonathan West, that:

"Tasmania's native forests (not including plantations) have been and continue to be harvested substantially above long-term sustainable yield, in respect of the key product segments to which they provide resources."

http://www.abc.net.au/reslib/201203/r918770_9521028.pdf

The modelling also conflicts with the advice provided by the Director of Ta Ann (which currently has long term contracts with Forestry Tasmania which provide for the annual supply of 265,000m³ of peeler billets) in his submission to a Parliamentary Committee in 2011 in which he stated that it would take 25-30 years for a transition from native forests to plantation if such plantations can be established and pruned to ensure supply sustainability:

<http://www.taanntas.com.au/userfiles/Documents/TAT%20submission%20to%20Legislative%20ouncil.pdf>

With regard to the minimum aggregate quantity of 137,000 cubic metres specified in Part 2 Section 6 (page 10) of the Bill, this figure is meaningless given that FT has previously provided significantly more or less than the prescribed quantity with apparent impunity.

FT's latest annual report shows that in the last 5 years it has produced volumes for high quality sawlogs (Cat 1 & 3 and 2 & 8 respectively) ranging from 385,005 cubic metres in 2007/08 to 149,617 cubic metres in 2011/12.

In the same period the production of high grade domestic peeler log for Ta Ann Tasmania has increased every year from 120,896 cubic metres in 2007/08 to 372,466 cubic metres in 2011/12. This defies logic given FT's claims that these logs are "arisings" from sawlogs which would previously have been sold as woodchips.

Refer Table 3.2 Wood volume and value summary on page 7:

http://www.forestrytas.com.au/uploads/File/pdf/pdf2012/sustainable_forest_management_appendix_2012.pdf

Rather than setting an unverified volume by statute, sustainable forest management in accordance with rigorous defined forest practice plans should be the prerequisite by which annual harvesting volumes are established. This volume may differ from year to year because of unplanned events such as bushfires and should be based upon an independent audit of the forests by recognised independent experts in their field such as the Independent Verification Group.

With regard to special timbers, to my knowledge there has never been a legislated amount and the volumes supplied by FT have never been independently verified as to their sustainability. Valuable and sought after species such as celery top pine and huon pine take hundreds of years to reach maturity and should only be produced in accordance with strict and demonstrated sustainable requirements, regardless of demand.

3. Social Sustainability and Certification

I consider that all forest management in Tasmania should be carried out in accordance with the principles of the Forest Stewardship Council (FSC) which include genuine stakeholder engagement. To this end Forestry Tasmania, or any other designated land manager, should ensure that our forests are sustainably managed in accordance with these principles so that progress can be made towards possible certification for operations which meet the criteria for sustainable forestry management.

FSC certification is subject to a rigorous, transparent and independent assessment process which takes account of all stakeholders' input and it does not automatically follow that passing of the Bill in itself provides support for FSC certification.

<http://www.fscaustralia.org>

The benefits of FSC are described on its website as follows:

Why FSC

The Forest Stewardship Council (FSC) is an international, non-profit organisation founded in 1993 by environmentalists, social interest groups, responsible retailers and leading forest companies to develop standards based on the '10 Principles for Forest Stewardship' by which responsible forest practice can be measured. Click here for more details on the 10 Principles.

These standards ensure that environmental, social and economic needs are balanced, and that long-term forest management plans are implemented.

On the ground, this means real benefits so that:

- *Waterways are protected*
- *Wildlife habitat and species are protected*
- *High conservation value forests are preserved*
- *Forest management practices are monitored annually*
- *Pesticide use is reduced*
- *Worker safety and wellbeing is enhanced*
- *The rights of Indigenous Peoples are respected*
- *Communities are respected and valued*

FSC certification is internationally recognised as the most rigorous environmental and social standard for responsible forest management. Its great strength lies in its ability to encourage dialogue between various sectoral interests. This partnership among business, the public sector, and civil society provides a unique tool for dealing with the issues surrounding forestry.

Why is FSC Unique?

Credible: FSC is the world's most rigorous forest product labelling scheme. It is the only forest label supported by environmental groups such as the World Wildlife Fund, Greenpeace and The Australian Conservation Foundation, and by major forest product retailers.

Inclusive: FSC believes that respect for the views and needs of others is essential. Through open multi-stakeholder processes, FSC has helped give access, voice and vote to people from every stratum of life.

Democratic: FSC is governed by its members, who meet every three years to vote on the direction of FSC. Equal voting weight is given to social, environmental and economic chambers and Northern and Southern countries. In Australia, members meet annually and the Board of Directors includes people from environmental groups, community groups and forest product companies.

Global: FSC can be found in 81 countries all over the world. With headquarters in Bonn, Germany, five regional offices and 46 National Initiatives, FSC is a truly global network.

Local: The strength of FSC is at the local level. Through our standards development processes, people define and agree what responsible forestry means in their forests. The result is forest stewardship standards that are balanced, local and lasting.

FSC's Positive Impacts Worldwide: There are a number of independently written reports and reviews available that demonstrate (sic) the positive impacts that FSC have produced around the world.

<http://www.fscaustralia.org/why-fsc>

By contrast, the Australian Forestry Standard is industry designed and regulated and not widely recognised by the more discerning and lucrative global markets which purchase Tasmanian timber products.

FSC clearly defines High Conservation Value Forests as follows:

“High Conservation Value Forests are those that possess one or more of the following attributes:

- a) forest areas containing globally, regionally or nationally significant : concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance*
- b) forest areas that are in or contain rare, threatened or endangered ecosystems*
- c) forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)*
- d) forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities’ traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).”*

Furthermore FSC incorporates clear principles for the maintenance of HCV forests as follows:

“PRINCIPLE # 9: MAINTENANCE OF HIGH CONSERVATION VALUE FORESTS

Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.

9.1 Assessment to determine the presence of the attributes consistent with High Conservation Value Forests will be completed, appropriate to scale and intensity of forest management.

9.1.1 FMEs shall have conducted an assessment to identify HCVs. Such an assessment should include:

9.1.2 Consultation with conservation databases and maps;

9.1.3 Consideration of primary or secondary data collected during forest inventories on the designated forest area by FME staff, consultants or advisors;

9.1.4 Interviews with environmental/biological specialists indigenous/local communities, and scientific experts, etc;

9.1.5 Documentation of threats to HCVs; and,

9.1.6 If threats to HCVs or HCVF exist, identification of actions to address the threats.

9.1.7 For large operations, FME shall:

9.1.8 Produce written HCVF assessment(s) that identify(ies) HCVs or HCVFs and proposes strategies to ensure their protection;

9.1.9 Conduct credible, independent, technically qualified review of the HCVF assessment and related recommendations to address HCV threats and protection;

and,

9.1.10 Demonstrate that credible actions are being taken to address HCV/HCVF protection and/or threat reduction.

9.1.11 The forest manager shall actively identify and assess the significance of biological diversity values and structural elements (such as standing and fallen dead wood and hollow bearing trees) to support the maintenance and protection of identified Significant Biological Diversity Values. The assessment of Significant Biological Diversity Values shall be based on existing relevant knowledge and forest planning instruments shall be undertaken in a regional context (AZ 4.3.1).

9.1.12 Applicable to SLIMF FMEs only: Consultations shall have occurred with environmental stakeholders, government or scientists to identify HCVs and/or HCVF. If HCVs or HCVF are present, FME shall take all reasonable steps to protect these values and/or reduce threats. The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.

9.2 The consultative portion of the certification process must place emphasis on the identified conservation attributes, and options for the maintenance thereof.

9.2.1 FME consultations with stakeholders shall clearly outline identified conservation attributes as well as proposed strategies for their maintenance or threat reduction.

9.2.2 For large operations, the stakeholder consultation for HCVF strategy development, and actions taken in response to such consultation, shall be documented.

9.2.3 Stakeholder consultations indicate that FME consistently considers and protects HCVF values

9.2.4 The process for identification shall include the review of relevant regional biological diversity studies and consultation with public land managers, relevant organizations, or other competent personnel.

9.2.5 For small and medium sized operations, see Criterion 9.1.

SmartWood Interim Standards for Assessing Forest Management in Australia

9.3 The management plan shall include and implement specific measures that ensure the maintenance and/or enhancement of the applicable conservation attributes consistent with the precautionary approach. These measures shall be specifically included in the publicly available management plan summary.

9.3.1 If HCVF or HCVs are present, planning documents shall provide site-specific information which describes the measures taken to protect or restore such values.

9.3.2 Measures to protect HCVF values shall be available in public documents or in the FME management plan summary.

9.3.3 Regular, periodic documentation is available on HCVF values that can be used in public summary documents

9.3.4 The forest manager shall implement practices to support the protection and maintenance of Significant Biological Diversity Values likely to be affected by forest operations. Planning and implementation of forest operations shall be consistent with those specified in recovery/action plans or equivalent instruments and prescriptions for management and conservation of threatened (including vulnerable, rare or endangered) species and communities developed under Commonwealth and State and Territory legislative processes (AZ 4.3.3).

9.4 Annual monitoring shall be conducted to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

9.4.1 A system for continuous monitoring of HCVF values protection shall be incorporated into the FME's planning, monitoring and reporting procedures.

9.4.2 Annual HCVF or HCV monitoring occurs as written in plans, in a technically sound and timely manner.

9.4.3 Monitoring of appropriate indicator species is undertaken to demonstrate that actions that have been implemented are effective."

<http://www.rainforest-alliance.org/sites/default/files/site-documents/forestry/documents/smartwoodaustraliainterimstandardjun08.pdf>

It is also clear that the failure of Forestry Tasmania to assist Gunns in its attempts to achieve FSC certification was a significant factor in the company's demise. In a letter to FT dated 18 April 2011, Gunns' chairman Chris Newman specifically states:

"I will not recount Gunns' various complaints of defective performance and non-performance by FT but I wish to highlight one issue which has caused Gunns significant loss of market share: FT's refusal to assist Gunns obtaining FSC certification."

http://www.forestrytas.com.au/uploads/File/pdf/rti2011/rti_11_16_gutwein_part2.pdf

In contrast, the Australian Forestry Standard by which Forestry Tasmania is currently certified defines sustainable forest management as follows:

Sustainable forest management (SFM), or sometimes known as ecologically sustainable forest management, in the context of the AFS is synonymous with 'good' or 'sound' forest management and well-managed forests. These terms are based on the premise that a forest production system is not sustainable unless the ecological components and processes on which the system depends are maintained. Forest managers and owners now accept that in managing forests for wood production other aspects must be considered, such as environmental, economic and social values, with the goal of achieving environmentally responsible, socially acceptable and economically viable forest management.

Whilst there are a number of definitions of sustainable forest management, the following was based on concepts enunciated in the Forestry Working Group on Ecologically Sustainable Development (1991) and the National Forest Policy Statement (1992):

The integration of commercial and non-commercial values of forests so that both the material and non-material welfare of society is improved, whilst ensuring that the values of forests, both as a resource for commercial use and for conservation, are not lost or degraded for current and future generations.

On the basis of this definition, and in common with other efforts to define sustainable forest management, there are three principles to sustainable forest management that are embraced by the AFS:

Ecological sustainability

This entails maintaining the ecological processes within forest ecosystems—the formation of soil, energy flows, and carbon, nutrient and water cycles—and the biological diversity of forests so as to maintain viable and functional ecosystems. The ecosystem needs to support healthy organisms, whilst maintaining its productivity, adaptability and capability for self renewal. Forest management needs to respect, and build on, these natural ecological components and processes.

Social sustainability

This entails maintaining and enhancing the net social benefit derived from the mixture of forest uses while maintaining options for the future. This includes sustaining the relationship between cultural ethics, social norms and development. An activity is socially sustainable if it conforms to ethical values and social norms, or does not exceed a community's tolerance of change.

Economic sustainability

This entails optimising the economic benefits for income, employment, goods and services from the mixture of forest uses within ecological constraints. It requires that benefits to the groups in question exceed the costs incurred, and that some form of equivalent capital is handed down from one generation to the next so that our use of the forest does not preclude or foreclose on future use options by future generations.

Management of forests should use the precautionary principle for prevention of environmental degradation and the principle of inter-generational equity to maintain the suite of forest values for present and future generations. A key objective of ecologically sustainable forest management is to maintain an extensive and permanent forest estate. The criteria and requirements set out in the Australian Forestry Standard aim to ensure that this objective is not compromised.

Forest management criteria and requirements

The AFS defines sustainable forest management according to a set of nine criteria. Criterion 1 addresses the management system itself, Criterion 2 addresses public participation and governance, and the remaining criteria address management performance. For each criterion, the AFS imposes a number of requirements that must be met in order to achieve certification.

This approach enables and encourages improvement to forest management practices and outcomes based on learning and experience. It recognises that forests will change over time due to human activities and natural processes, and requires management to be adapted as our understanding of the relationship between management actions and forest values improves. While the AFS separates the key forest values to set particular performance requirements for them, it is recognised that they are interconnected and cannot be considered in isolation.

The requirements of the AFS are derived from certain elements of the International Organisation for Standardisation (ISO) environmental management system (EMS) Standard AS/NZS ISO 14001:2004, the Montreal Process criteria and indicators for temperate and boreal forests and the requirements of like standardisation initiatives such as those under the certification schemes of the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification Schemes. These processes provide a basis for the development of the AFS that is compatible with other national and international schemes and standards that aim to achieve sustainable forest management.

While the AFS draws on ISO 14001 and the Montreal Process criteria for its basic framework its requirements can be mapped to the equivalent requirements of other frameworks. For example:

- *under the Forest Stewardship Council’s Principles and Criteria, the requirements for maintenance of ‘High Conservation Value Forests’ are consolidated under its ninth principle—under the AFS, criteria 3 (biological diversity), 4 (productive capacity), 6 (soil and water), and 8 (cultural heritage) set out requirements that protect and maintain the identified Significant Biological Diversity Values, ecosystem services and cultural heritage attributes of concern. The Australian Forestry Standard recognises that the forest reserve system makes a significant contribution to the protection of Significant Biological Diversity Values but ensures that residual values in managed forests are properly considered for their maintenance and protection; or*
- *under the Programme for the Endorsement of Forest Certification Schemes framework, there is a criterion for maintenance and enhancement of forest resources and their contribution to the global carbon cycle—under the AFS, criteria 4 (productive capacity) and 7 (carbon cycle) set out requirements that protect and maintain productive capacity of the land and the contribution of forests to the carbon cycle.*

<http://www.forestrystandard.org.au>

<http://www.forestrystandard.org.au/files/Standards/4708.pdf>

4. Financial Sustainability

I also consider that the forest industry in Tasmania should stand on its own two feet and not be subject to any further taxpayer funded support which has distorted the market and perpetuated practices which are economically unsustainable.

Forestry Tasmania has made significant financial losses in recent years despite receiving approximately \$250 million in public funding through the Helsham, RFA, TCFA and IGA initiatives.

The Auditor-General's Special Report No. 100 into the Financial and economic performance of Forestry Tasmania dated July 2011 and the URS Strategic Review of Forestry Tasmania (Stage 2 Report) dated 10 August 2012 both highlight a multitude of serious deficiencies within Forestry Tasmania, including the apparent misuse of public TCFA monies to fund working operations and convert native forests to plantations, which can only be resolved by a complete restructure of the organisation and overhaul of the management team responsible for its abject performance. In particular the organisation should be stripped of its powers and incorporated within a transparent and accountable integrated land management agency as detailed in Option 3 of the URS report.

<http://www.audit.tas.gov.au/publications/reports/specialreport/pdfs/specialrep100.pdf>

[http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/FT-Stage2-Redacted.pdf/\\$file/FT-Stage2-Redacted.pdf](http://www.treasury.tas.gov.au/domino/DTF/DTF.nsf/LookupFiles/FT-Stage2-Redacted.pdf/$file/FT-Stage2-Redacted.pdf)

Forestry Tasmania's own financial statements show the extent of its financial losses and failure to pay a dividend for several years. FT appears to be selling wood in long term wood supply contracts to preferred customers at less than the cost of production demonstrated in part by evidence it made to the Legislative Council Select Committee during a hearing on 17 January 2013 when Forestry Tasmania's Operations Manager, Steve Whiteley, made the startling admission that special species timbers production is a "*non-commercial activity*".

This is further compounded by the fact that FT recently extended its contracts with Crown sawmillers up to the year 2027 and may therefore have locked in long term financial losses at the entire cost of the Tasmanian taxpayer.

<http://www.forestrytas.com.au/publications>

Table 3.2 on page 7 of FT's following report shows that the value generated by volume from eucalypt wood production currently ranges from only \$40 per tonne for low grade export peeler logs up to \$145 per m³ for veneer, including \$128 per m³ for special species.

http://www.forestrytas.com.au/uploads/File/pdf/pdf2012/sustainable_forest_management_appendix_2012.pdf

The forest industry itself has also been provided with tens of millions of dollars to transition and restructure the industry which appears to have largely been squandered given the current state of the industry.

<http://www.daff.gov.au/forestry/national/info>

5. Ta Ann Tasmania

I am totally opposed to the payment of so-called compensation to Ta Ann Tasmania which is reportedly expecting to receive in the order of \$50 million from the Australian taxpayer through the Tasmanian Forest Agreement for a proposed reduction in its contracted wood supply for peeler billets from State forests from 265,000 to 160,000 cubic metres a year.

<http://www.abc.net.au/news/2012-11-28/govt-tight-lipped-on-ta-ann-compo/4395964?section=tas>

This compensation has been confirmed by the Federal Minister for the Environment, Tony Burke, during an interview with Leon Compton on ABC Hobart radio on 12 December 2012:

Partial transcript

LEON COMPTON: On your local ABC, Tony Burke, the Federal Environment Minister is our guest this morning. Ta Ann say they should receive compensation for logging volumes that won't be delivered under this deal and that amount could be tens of millions of dollars. So have you agreed that you will compensate Ta Ann with this money?

TONY BURKE: Yeah, there's been an exchange of letters between Ta Ann and myself, and I explained this to the Legislative Council yesterday. For people who deal with high quality saw log there's always been an understanding that there'd be a voluntary exit process if they wanted to retire some of their saw log volume, which for these businesses at the moment is volume that they're not utilising anyway.

Ta Ann have a similar situation but it's not high quality saw log, it's peeler billets. So we've made a commitment that there'll be equitable treatment for Ta Ann with respect to peeler billets, in the same way there is for high quality saw log.

LEON COMPTON: To what amount of money? What does that mean in a financial sense?

TONY BURKE: There's a very good probity reason why that was the one part of the financial envelope I wasn't able to announce yesterday. The reason is when we run a high quality saw log package we can put the dollar amount on the table and a whole range of individual businesses choose whether or not they want to tender into it.

When you're dealing with Ta Ann and with peeler billets, there's only one business that's going to tender into it. So for that reason we've made the commitment about the formula, the concept of the formula, the method that we'd use in arriving at equitable treatment, but to announce the actual dollar amount there's more work that needs to be done.

LEON COMPTON: Are they happy with the amount that you've come up with?

TONY BURKE: Yes.

LEON COMPTON: So they're happy with the proposal that's been put on the table?

TONY BURKE: That's right. I've no doubt every business when they look at different amounts of money will try to say, you know, can we also get this, that or the other. But in terms of the principles for retirement, partial retirement of the peeler billet volume, the answer is yes.

LEON COMPTON: What guarantees have you got that they're going to stay here? What about they become like Ford or Mitsubishi? They're very good at asking for government largess, but in fact what they do is take the money and ultimately either reduce their operations or run.

TONY BURKE: And that's one of the issues that we're going to have to work through when we deal with contracts on this.

LEON COMPTON: Are you making sure that the money's being delivered over ten or fifteen years so that they stay, they deliver the jobs?

TONY BURKE: There's a few different ways you can do it. I've raised this specifically with my department. I'm getting advice on how to build it in. It's a concern that I have. It's a concern the state's raised. It's a concern that was raised yesterday by Legislative Councillors as well.

So before the advice comes back as to exactly how contractually you'd deal with that issue, the most I'm able to answer this morning, Leon, is to say I agree with the problem that you've identified and we're working to find a way through it.

LEON COMPTON: Because what - it's like some sort of European Union story. They're becoming a company that gets paid not to produce stuff.

TONY BURKE: Well they have a contract for particular volumes that are not able to be delivered at the moment. So if you're talking about wanting to be able to vary something that otherwise they contractually demand, I think that's actually much more of a business approach than the way you've just described it there.

<http://www.environment.gov.au/minister/burke/2012/tr20121212.html>

The Final Report on the work of the Independent Verification Group found that even “if no new reserves are established” then “Native forests alone cannot satisfy wood supply guarantees for peeler billets under any headroom assumptions. The results of this scenario illustrate that significant volumes will have to be sourced from plantations and / or private land if current demand is to be satisfied.” (Refer page 4)

Figure 12 in the report shows that the maximum yield of peeler billets from public native forests if no new reserves are created up till the year 2030 is only 150,000 cubic metres a year with a headroom of 40% rising to a maximum of 200,000 cubic metres a year if a reduced headroom of 20% is adopted.

http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg_capstone_final1-1.pdf

As Forestry Tasmania entered into these unsustainable long term contracts with Ta Ann Tasmania at its own volition then the management of Forestry Tasmania should be held financially responsible for any required reduction in Ta Ann's contracts and not the Australian taxpayer. Any such taxpayer funded payment would be potentially fraudulent and demands to be ruled out.

Furthermore, the LinkedIn profile of Evan Rolley, Executive Director at Ta Ann Tasmania, shows that he was Managing Director of Forestry Tasmania from 1990-2006 and would presumably have been instrumental in setting up Ta Ann's wood supply agreements for its Smithton and Huon mills which are both dated 16 January 2006.

<http://au.linkedin.com/pub/evan-rolley/45/6b9/96b>

<http://www.forestrytas.com.au/forest-management/wood-supply-agreements>

When the same person who appears to have had responsibility for setting up these agreements, based upon volumes which have recently been independently verified as being unsustainable, is now seeking multi-million dollar financial compensation from the Australian taxpayer to reduce is not just a potential conflict of interest but a matter that demands full and independent investigation before any potential payment is agreed.

The following article written by Sue Knowles in the Mercury on 30 March 2006 describes Mr Rolley's participation in the process and includes the following illuminating quotations:

"Datuk Hamed Sepawi, chairman of international wood processor Ta Ann, said the key to his company coming to Tasmania was the cheap price of timber on offer from Forestry Tasmania."

"And for Tasmania, even at that lower price, it's all profit for Forestry Tasmania, because [what we are paying] is more than double the price you would have been getting for that same wood for woodchips."

"Forestry Tasmania chief executive Evan Rolley said the appeal of Ta Ann's operations was that all regrowth logs to be processed at the Huon wood centre (formerly known as Southwood) would previously have been sold as woodchips."

<http://www.taanntas.com.au/userfiles/Documents/MER30MAR009.pdf>

It has also recently been reported that penalties will be scrapped for Ta Ann not using all of the wood it is required to accept under the take and pay provisions of its wood supply contracts with Forestry Tasmania, another cost which will be borne by the Tasmanian taxpayer.

<http://www.abc.net.au/news/2012-12-20/business-as-usual-for-ta-ann/4438612?section=tas>

This is almost identical to the absurd situation in which Gunns was paid \$25.3 million incl. GST by the Commonwealth in September 2011 to extinguish native wood supply contracts which it had previously notified Forestry Tasmania by letter dated 18 April 2011 that it wished to terminate on a full release and indemnity basis.

http://www.forestrytas.com.au/uploads/File/pdf/rti2011/rti_11_16_gutwein_part2.pdf - refer pages 7-10 of PDF – Gunns’ letter 18 April 2011

[http://www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/Deed-Gunns.pdf/\\$file/Deed-Gunns.pdf](http://www.treasury.tas.gov.au/domino/dtf/dtf.nsf/LookupFiles/Deed-Gunns.pdf/$file/Deed-Gunns.pdf)

Also, given that Forestry Tasmania has contracts with TA Ann to supply 265,000m³ of high grade domestic peeler billets per year I would question why Forestry Tasmania produced 372,466m³ of such logs in 2011/12 including 191,308m³ from the Huon alone. (Table 3.1, page 6 and Table 3.2, page 7)

This also represents a significant increase from the 318,597m³ of high grade domestic peeler logs produced in 2010/11.

http://www.forestrytas.com.au/uploads/File/pdf/pdf2012/sustainable_forest_management_appendix_2012.pdf

6. Carbon Credits

Given Tasmania's current budget deficiencies the \$7 billion potential windfall from carbon credits which could reportedly be achieved by protecting our public forests currently earmarked for logging should be maximised to its full extent. Following upon Australia's commitment to Kyoto 2 this aspect requires further and urgent clarification from the Commonwealth and State Governments.

<http://theconversation.edu.au/australias-kyoto-2-target-shaking-up-our-thinking-11014>

The Australian Institute has recently published the following article regarding the potential carbon credits:

TITLE: How not to make policy: Tasmanian forest deal

AUTHOR: Andrew Macintosh & Richard Denniss

PUBLICATION: Crikey

PUBLICATION DATE: 29/11/12

LINK: <http://www.crikey.com.au/2012/11/29/how-not-to-make-policy-tasmanian-forest-deal/>

The newly-inked Tasmanian Forest Agreement has been hailed by many as a historic breakthrough that provides Tasmania with an opportunity to end the divisive "forest wars" and remake the state's ailing economy. In truth, it is a case study in how not to make policy.

By handing over the responsibility for resolving the dispute to two groups that sit at either end of the debate -- the forest lobby and green groups -- the Tasmanian government has overlooked the interests of those in the middle; the Tasmanian public. As a result, insufficient attention has been paid to how the forests can be best used to advance the interests of the community.

Throughout the process, the forest lobby pushed their case for additional subsidies to prop it up during the current industry downturn. This is to be expected. For their part, the conservation groups stuck to the tactics that have defined the forest conservation movement since the late 1960s: argue for more reserves and try to get lines on maps so as to protect native forests from logging.

The outcome reflects an awkward and unsatisfying compromise between these interests. For the third time in 15 years, the forest industry will receive a bucket of money to "restructure" and help it become "sustainable" (demonstrating once again that the word is possibly the most abused in the English language), while the conservation groups walk away with 504,012 hectares of new forest reserves, around 50% of which were never going to be harvested.

The impact of the agreement will be to perpetuate a native forest logging industry that is facing an existential crisis. It has always been a marginal economic activity that barely scrapes a profit. Recent events have made it decidedly uneconomic. In the past five years, the cumulative reported comprehensive loss made by Forestry Tasmania was \$509 million. Its cumulative trading loss (i.e. loss before tax and other items) was \$55.7 million, or around \$11 million per annum.

The industry likes to lay the blame for the state of the industry at the feet of the conservation movement, claiming conservationists have tarnished the international image of its products. While green group lobbying may have had some impact, the real reasons are market-related. The native forest sector has faced increasing competition from plantations, stagnant or declining real product prices, rising input prices, a high dollar and a shift in consumer preferences away from native forest products.

Another government bailout of the industry is not going to alter the market circumstances that are the root cause of the problem. The subsidies and attempted restructure will provide a temporary reprieve but, as history has shown, in a few years the industry will return for further assistance.

In a similar vein, the promised new reserves under the TFA will not quell the calls from conservationists for more protection. The green groups involved in the deal -- The Wilderness Society, Australian Conservation Foundation and Environment Tasmania -- are but three voices in a diverse and complex movement. The idea that they speak for the broader movement is fanciful.

The most that can be said for the TFA is that it provides a band-aid. Similar to the European Union's approach to fiscal reform for most of the 2000s, the parties to the TFA have "kicked the can down the road", leaving others to search for more lasting solutions.

An alternative to what the TFA offers is to use Tasmania's native forests, or a large part of them, to generate carbon credits. The revenue from the sale of the credits could then be used to assist in the restructure of the state's economy.

To many, this sounds like black magic. However, irrespective of what the Tasmanian government does, the reduction in native forest harvesting that has come with the downturn in the industry, and that is partially guaranteed by the TFA, will result in carbon credits. The only issue is that they will be taken by the Australian government.

This is a product of new greenhouse accounting rules that will take effect when Australia signs up to the second commitment period of the Kyoto Protocol. Under these new rules, any reduction in native forest harvesting below the levels seen in the 2000s will result in Australia receiving offset credits. By offsetting emissions in other sectors, these credits enable the Australian government to increase the number of carbon units it sells under the new emissions trading scheme, thereby increasing its carbon revenues.

Our analysis suggests that, by guaranteeing that harvesting in Tasmania's native forests remains below the levels in the 2000s, the TFA should lead to the Australian government receiving an average of 7.4-8.2 million credits per year over the period 2012-2032. These credits are likely to be worth billions.

These carbon benefits do not have to accrue to the Australian government. The revenues could be wholly or partially allocated to Tasmania. Alternatively, the Australian government's credits could effectively be transferred to the state government through the Carbon Farming Initiative.

These options were brought to the Tasmanian government's attention in March this year. For months, they were largely ignored. Then, just prior to the signing of the TFA, Premier Lara Giddings announced that the government had engaged consultants, CO2 Australia, to undertake a feasibility study on how it could turn the outcomes from the TFA into carbon credits.

Some may say better late than never. However, by allowing the industry and green groups to dictate the structure and content of the TFA, the Tasmanian government may have jeopardised its chances of getting any of the available carbon credit benefits.

Most notably, the Australian government has indicated that, if Tasmania takes Commonwealth money to restructure the industry and establish the reserves, it won't be able to "double dip" by also claiming carbon credits. Prime Minister Gillard told the Premier this in July 2011 and the state government received the same message in October 2012, this time by the Parliamentary Secretary for Climate Change, Mark Dreyfus.

Under the current terms of the TFA, Tasmania stands to receive in the order of \$300 million, possibly a little more. In return, the Australian government gets a guarantee of \$6-\$7 billion in offset credits. The state Parliament needs to ask itself, is it doing the right thing by the Tasmanian community in signing up to a deal that is unlikely to provide a lasting solution to the woes of the forestry industry and that is so heavily weighted towards the interests of the Commonwealth?

Dr Richard Denniss is the Executive Director of The Australia Institute, a Canberra based think tank. www.tai.org.au. Andrew Macintosh is the associate director of the ANU Centre for Climate Law & Policy.

<https://www.tai.org.au/index.php?q=node%2F19&pubid=1073&act=display>

Tony Burke recently claimed on ABC Hobart local radio that the Tasmanian Forest Agreement would not generate any carbon credits saying:

"The reason is that under the accounting rules that work for carbon trading, a country, if they want to put their landscape in, has to put their entire landscape in. Now, for a nation like Australia, we're a nation with bushfires, we're a nation with big droughts. If you put your whole landscape into the carbon market it would mean every bushfire and every drought you had to pay a liability, a massive liability, at the exact same time that Australia was going through significant hardship. That's why Australia has never opted its landscape into the accounting process. It's why we never will."

<http://www.environment.gov.au/minister/burke/2012/tr20121212.html>

However, his comments have subsequently been contradicted by Andrew Mackintosh Associate Director of the ANU Centre for Climate Law and Policy, who says Tony Burke is wrong as a direct result of Australia signing up to a second commitment period under the Kyoto Protocol. (18:44 minutes through following audio file)

http://blogs.abc.net.au/tasmania/2012/12/mornings-on-demand-monday-17122012.html?site=hobart&program=hobart_mornings

Given that \$7 billion of credits may potentially be at stake this matter requires urgent clarification from the Federal and State Governments before any Forest Agreement is cast in legislation.

To this end I have sought answers from the relevant Federal Ministers, Tony Burke and Greg Combet, without even the courtesy of a response.

The relevant part of the transcript of the interview between Federal Minister for the Environment, Tony Burke, and Leon Compton on ABC Hobart radio on 12 December is as follows:

LEON COMPTON: You protect 500,000 hectares of forest that might currently be eligible for logging, and apparently there are significant, and we're talking potentially billions of dollars, of carbon credits that flow, apparently. So who gets that money?

TONY BURKE: Yeah, there's a big apparently in that one. I've seen some of the reports about this, claims of massive billions of dollars.

LEON COMPTON: And so let's lay them out.

TONY BURKE: Yep.

LEON COMPTON: You're paying 300 and something million dollars into this deal but you might net seven billion dollars in carbon credits. Well, let's assume that there are large numbers wherever you look at, who gets those carbon credits?

TONY BURKE: No one. The reason is that under the accounting rules that work for carbon trading, a country, if they want to put their landscape in, has to put their entire landscape in. Now, for a nation like Australia, we're a nation with bushfires, we're a nation with big droughts.

If you put your whole landscape into the carbon market it would mean every bushfire and every drought you had to pay a liability, a massive liability, at the exact same time that Australia was going through significant hardship. That's why Australia has never opted its landscape into the accounting process. It's why we never will.

LEON COMPTON: So what you're saying is that this new five hundred thousand hectare protection, if it comes to pass, is going to accrue no carbon benefits for Australia?

TONY BURKE: In terms of carbon accounting...

LEON COMPTON: In terms of cash.

TONY BURKE: In terms of cash in carbon accounting, that's right. There's the carbon farming initiative, which is a much more modest program, where there's been interaction between the Commonwealth and the state to work out if there can be some modest lines of credit that come through on that, but on the big money which would only be possible if we offered our whole landscape in. The flip side of that, would be billions of dollars of liabilities every time there is a drought.

<http://www.environment.gov.au/minister/burke/2012/tr20121212.html>

7. Mining

All land that is reserved under the terms of the Bill should also be formally protected from mining activity, including mineral exploration leases, and mining activity should be explicitly precluded from all such areas by legislation.

8. Special Council

I consider that the entire 504,012 hectares of land proposed for reservation should be given immediate legislative protection rather than in the two tranches proposed under the terms of Bill which requires durability clauses to be satisfied. The need for the establishment of the Special Council under Part 4 of the Bill would therefore become redundant.

The deletion of this clause would also prevent the potential conflict noted in the first section of my submission regarding any MLCs who may be members of Timber Communities Australia.

In any event, the membership of the Council is inequitably biased in favour of industry bodies and excludes the public and any other stakeholders.

I also consider that the other prescribed purposes of the Special Council, such as promoting the Vision referred to in Schedule 1 and providing advice to the Minister, preclude the fundamental democratic right of the entire Tasmanian community to participate in and influence land management, conservation and forestry policy.

9. Durability

With regard to the durability of the Agreement it seems clear to me that the main threat is caused by the Liberal Party which voted against the Bill and has vowed to tear up any agreement should it be elected to government in the next election:

http://www.themercury.com.au/article/2012/03/05/306385_tasmania-news.html

<http://www.willhodgman.com.au/media-releases/statement-of-support-to-timber-industry>

<http://www.willhodgman.com.au/media-releases/premier-fails-the-leadership-test-on-forestry>

There do not appear to be any meaningful durability requirements imposed upon industry and I therefore consider that the entire area of 504,012 hectares proposed for reservation should be legislated for full protection with immediate effect upon the passing of the Bill.

10. Conclusion

Tasmania is extremely fortunate to be endowed with a unique and biologically diverse range of flora and fauna, much of which is of endemic to the State, threatened and of National and/or World Heritage Quality to the envy of other nations. Tasmania has a global responsibility to protect these values and is now in a privileged position to capitalise on the carbon trading opportunities presented by Australia's newly ratified commitment to reduce carbon emissions under the terms of the Kyoto Protocol.

Whilst I fully support the environmental benefits of reserving 504,012 hectares of land noted in the Agreement, I consider that this should be carried out immediately in one tranche, rather in separate tranches as proposed in the Bill.

I totally oppose the provision of any more taxpayer funding to support an industry which has previously squandered hundreds of millions of dollars provided by the taxpayer in a futile attempt to transition/restructure and is clearly unable to exist without ongoing public subsidies.

The future of the forest industry should be based upon the production of Tasmanian branded high value low volume products harvested by selectively logging on a sustainable basis to stringent regulatory requirements. Tasmania is too remote and small a market player to compete on a global stage with low value bulk commodities and this is ably demonstrated by the demise of Gunns, FEA, MIS etc. and the financial losses incurred by Forestry Tasmania despite massive public subsidy.

From a financial perspective, I consider that the potential cost benefit provided by carbon credits from protecting native forests currently scheduled for logging significantly exceeds any potential economic benefit which may arise from logging such areas.

From a social perspective, the financial gains that arise from carbon credits can be utilised on the management of new and existing reserves and the provision and delivery of community service obligations, infrastructure, investment, research and development etc. across the entire State for the benefit of all Tasmanians.

All these matters should be fully considered, reviewed and resolved as far as possible by both Houses of Parliament in a consultative, open and transparent manner prior to the passing of any legislation.

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