

## **Australian Forest Growers (Tasmanian Branch) – proposed amendments to Tasmanian Forests agreement Bill (2012)**

### **– Addendum to the AFG submission dated 16 January 2012 to the Tasmanian Legislative Council Select Committee**

As requested at the Hearing on 17 January, 2012, Australian Forest Growers (Tasmanian Branch) has endorsed and submits the following list of amendments and matters for consideration in regard to the Tasmanian Forests Agreement Bill 2012 and related forest industry changes.

In providing this list, AFG, Tasmanian Branch confirms that it is opposed to this Bill being enacted and does not believe that it is in the best interests of private forest owners or of all Tasmanians in general.

The TFA Bill principally addresses legislative process concerning; reservation of forest areas, continuing wood supply as agreed under the TFA and economic benefits of carbon in Tasmania's forests.

It does not address (nor was intended to address) other key TFA agreed positions requiring substantial funding commitments by governments.

This Bill (and its amendments) should not be passed unless binding commitments are simultaneously given to the funding of; a Plantation Management Fund, Plantation Innovation Fund, Skills Development, Value Adding Facilitation Fund and the reopening of the Triabunna export facility. All these are explicitly agreed to in the TFA.

#### **The major issues for private forest owners are:**

- **AFG does not believe that the Bill and the Tasmanian Forests Agreement are in the best interests of all Tasmanians.**
- **The acceptance of the TFA shrinks one of the States cornerstone industries for no demonstrable benefit. The Bill and the TFA further reduce the potential scale of the forest industry after 30 years of very significant additions to the reserve system.**
- **The Bill also rewards unethical and potentially illegal behaviour by a minority that responsible Governments would counter and legislate against.**
- **AFG emphasises that the proposed reserve outcome has no scientific basis and that there still remains no definition of High Conservation Value Forest other than that the additional 500,000 plus hectares includes land that is part of the ENGO's wish list.**

- **The essential point is that while the harvest from Tasmania’s forests, both plantations and native forest is at a long term low, the trees are still standing, mostly growing and could be marketed, if the positive and correct Government support is in place instead of capitulation to ENGO demands that would potentially be actionable if not for specific exemptions in a number of Acts.**
- **The potential impact on private forest owners is discussed in more detail in our previous submission, but the private sector is generally fragmented and is reliant on markets developed by the largest suppliers and processors. Therefore reduction in the scale of the industry and loss of diversity impacts significantly on marketing options, pricing and flexibility for the private sector.**

**Amendments proposed to the Bill and matters for further consideration:**

1. AFG considers that if there are reservation tranches, then these should be increased in number. This would allow more and proper verification studies. The time over which tranches are reserved should be extended to a period exceeding at least 10 years.
2. The status of any reservation should be closely reviewed so as not to restrict access to the land by most Tasmanians for the full range of traditional uses. There should be a proper justification for each and every one of the 300 forestry zones included in the first tranche before addition to the reserve system, not just a 150 page list as provided to date.
3. Durability arrangements are a key to any benefit from the TFA and the Bill and need to be strengthened to have any chance of lasting for an extended period. The Bill does not define the content and matters to be addressed in a durability report required before a Protection Order is made. There is no apparent mechanism to resolve disagreement by members of the Special Council on the outcome or findings of any durability report.
4. Private forest owners need to be specifically and adequately represented in any Special Council set up under the proposed legislation. This is in particular to assist with Clauses 22-27 of the TFA.
5. The amendments proposed by the State Government to the Bill in mid-January appear to be an attempt to circumvent the initial durability provisions provided for in the Bill and negotiated in the TFA. These in effect bring forward the Protection Order contemplated by Clause 10 of the Bill without completion and consideration of a durability report.

There should be no weakening of the durability provisions and as AFG has submitted, these provisions need strengthening. A durability report should be produced annually and presented to Parliament.

A recent example of how the ENGO / Forest Industry agreement model is unwinding is the Canadian Boreal Forest Agreement, which was based on suspending harvesting on over 29 million hectares, signed two and a half years ago and from which Greenpeace (one of the founders of FSC), has just withdrawn.

<http://www.theglobeandmail.com/globe-investor/greenpeace-and-resolute-spar-over-logging-practices/article6026266/>

6. In any restructure of Forestry Tasmania, full management and control of production forest land must be retained by the entity responsible for planning and supervision of harvesting (Clause 55 of the TFA). AFG does not believe that State Government representatives at an earlier hearing have provided adequate reassurances on this matter.
7. Adverse TFA impacts on Private Forest Owners who have Private Timber Reserves should be monitored and be compensated. It is not reasonable that the Private forest owner sector is the only part of the forest industry not compensated for this so-called transition, particularly given past agreements that have impacted without consultation with the private sector.

This should include transport subsidies for logs or residue having to be transported greater distances due to, for example lack of residue markets in Southern Tasmania or reductions in market access due to contraction in the scale of the industry caused by the TFA changes.

8. The Forest Practices Act needs to explicitly consider social and economic outcomes and fair compensation where reservation of private forests exceeds duty of care, to provide community benefit (Clause 53 of the TFA).
9. The ability to use residue from private native forest for bio-energy should be stipulated in legislation as specified in Clause 31 of the TFA.
10. The Legislative Council should determine whether a Regulatory Impact Statement is required (The Subordinate Legislation Act 1992).
11. There needs to be a complete socio-economic study of the potential impacts of the TFA on all aspects of the Tasmanian community. There should be proper peer review of any study in contrast to the draft IVG reports prepared as part of the TFA process. Obviously this should be completed prior to any legislation being enacted.
12. The Forest Practices Code review needs to be completed before any more reservation as recommended by the Legislative Council's own committee on the "Transition out of Native Forest". The Forest Practices Code should note the registration of private land as a Private Timber Reserve for long term wood production and allow a simplified Forest Practices Plan process for ongoing private wood production registered areas. Economic and social impact criteria should be included in Forests Practices Authority decision making and Forest Practices Plan assessment.

## **Matters for Consideration related to the TFA and proposed Bill:**

13. Durability arrangements need inter Government commitments to ensure compliance.

This requires:

- - a full review and a binding commitment to remove favourable treatment of environmental groups including the exemptions relating to environmental advocate's statements, actions and tax treatment.
- - Australian Government legislation to remove sovereign risk issues related to on-going funding.
- - a demonstration that there is legislated commitment to the TFA process at the Australian Government level.

14. Certification arrangements need to be better defined.

- - There should not be restrictions on market access through regulation in favour of one certification system over another the use and promotion of AFS should not discriminated against..
- - there is not a demonstrated marketing benefit of FSC compared with other forms of certification.
- - there are extra costs and governance risk associated with FSC.
- - assistance to private forest owners should be provided to gain forest certification such as through group certification.
- - Certification conditions should only apply to the defined forest area and not to other rural land management.
- the Australian Forestry Standard (AFS) and FSC should be benchmarked to allow dual certification.
- FSC must agree that some forest types ecologically require clear-felling to ensure adequate regeneration outcomes as do other forest types in other parts of the world.
- these matters related to certification need to be included in any durability report to Parliament.
- certification should not be compulsory for private forest owners, particularly given the existing Forest Practices Code requirements.

15. There needs to be a clearer commitment to future funding of any expanded reserve system and evidence that the funding is additional over and above monies and not linked to other distributions such as those from the Grants Commission.

A full breakdown of how the proposed \$9 million will cover the costs of an expanded reserve system with 300+ zones in the initial tranche should be provided. There should be an explanation of how fuel loads will be managed in any additional reserves.

16. There should be local level consultation so that the wider community is aware of the proposed reservations now that mapping has finally appeared. The mapping of proposed reserve areas and reserve types and its limited detail provided three weeks ago in the Whole of Government submission, was only as a result of the Legislative

Council inquiry. The manner of its provision and the detail provided has treated the Tasmanian community with contempt.

Any demonstrable long term benefits of adding another 500,000 hectares to the existing reserve system should be clearly outlined to the Tasmanian community.

17. This contempt of the Tasmanian community, through not providing mapping of proposed reserve areas and their proposed classification in a timely manner, has been compounded by the nomination of a large part of the forest area for World Heritage listing before the democratic process and review by the Legislative Council of the TFA and Bill has been concluded.

AFG will be writing to the World Heritage Committee requesting that any consideration of extensions to the WHA be delayed until proper process by elected representatives within Tasmania has been completed.

**Additional recommendations:**

18. AFG recommends that the Legislative Council re-examine the Forest and Forest Industry growth strategy. The industry as with other major sectors in the Tasmanian economy is subject to cycles due to external influences beyond its control, compounded by ENGO behaviour. There should be forward planning for international economic and building industry improvements. This was "the Plan" endorsed by both major parties before the last State election and before the current politically motivated process began. It is incorrect to say that there is no alternative plan.
19. In addition, an alternative way forward is to reassess State Forests using the Regional Forest Agreement framework, which has stood the test of time and is based on science. The objectives of the current RFA, which stands till 2017, are largely reflected in the intent of the TFA. The RFA is referred to in Clause 52 of the TFA.

Under the Regional Forest Agreements the State and the Commonwealth agreed and jointly legislated to establish a framework for the management and use of Tasmanian forests, which sought to implement effective conservation, forest management, forest industry practices and in particular:

- provide certainty for conservation of environment and heritage values through the establishment of a CAR Reserve System; and
- provide for the ecologically sustainable management and use of forests in Tasmania; and
- provide for future growth and development of Tasmanian Industries associated with forests and timber products; and
- assist with the development of forest-based tourism and recreational opportunities based on Tasmania's environmental advantages; and
- provide for certainty of resource access to the forest industry; and
- provide for certainty of resource access to the mining industry; and
- remove relevant controls in relation to application of the *Export Control Act 1982* (Cwth); and

- introduce a range of new or enhanced initiatives to assist with forest based development; and
- encourage the development of forest based research; and
- encourage significant employment opportunities and investment throughout Tasmania

20. As clearly stated by a number of organisations, there is very limited justification for an improved conservation or biodiversity outcome through the proposed extra reservation. The proposed reservations are not based on any nationally or internationally recognised definition of High Conservation Value Forest (HCVF). There should not be any reservation until a proper agreed, verifiable definition of HCVF is determined and scientific studies done based on a sound basis.
21. AFG considers regulations for fuel reduction on private land need urgent review with priority with protection of lives, property including commercial forests and livestock being paramount.
22. AFG does not believe that the Bill mirrors all points in the TFA. The current proposed legislation only favours those Clauses that will benefit environmental outcomes.
23. The Triabunna woodchip mill needs to be re-opened with a commercial operator without environmental movement imposed conditions.

6 February 2012