

**THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE TASMANIAN FORESTS AGREEMENT BILL 2012 MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON TUESDAY 5 FEBRUARY 2013.**

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**Mr ANDREW DENMAN**, PROPRIETOR, **Mr GEORGE HARRIS**, **Mr MURRAY JESSUP** AND **Mr CRAIG HOWARD**, DENMAN MARINE AND TASMANIAN SPECIALTY TIMBERS ALLIANCE, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - Welcome and we have your submission. It might be productive if you want to make some comments as to your submission. There might be matters that you want to specifically draw to our attention, and matters which might have arisen since you gave us the submission.

**Mr DENMAN** - Before we start, I would like to say that besides the people here being members of TSTA, we also have members of Timber Communities Australia, Fine Timbers Tasmania and Murray, at some stage in the past occasionally has worked for Forestry Tasmania.

Most of you would probably remember the last time I was in here talking to you as an individual business owner with regard to the issues concerning specialty timbers. You have probably all heard lots of evidence being presented over the last few months about specialty timbers. We are not going to rehash too much. I know you are running behind today but I would like to, hopefully, by the end of today, convince some of you that we do have a major problem with special timbers. They have not been looked at properly under the agreement by the signatories, or the verification group, and we really need to hopefully push for an amendment to the bill that will enable specialty timbers to be looked at correctly before we move forward.

If we start back at the beginning of the whole IGA process. When the agreement was first signed by the Prime Minister and the Premier, there were some certain wood supply scenarios that you are all familiar with in clause 17, which included 12 500 cubic metres of specialty timers, subject to verification. The aim was that Professor West's verification group would verify that amount of timber, verify the needs of the industry and then do an assessment and comparison with what forest was available, before they made any decisions on reserves. All the way through the verification process, the specialty timber issue has proven to be too difficult to tackle.

We have heard evidence in early January, at your last sittings, from the signatories that the specialty timber issue was a very difficult one for them to deal with and I understand that. We are basically sourcing our product from old growth rainforest. A lot of the forest areas are iconic areas that are highly prized by the conservation movement, but that does not mean that those areas cannot be available and used on a sustainable basis for specialty timber access.

With the agreement now being drawn up and signed, we are finding that the specialty timer issue has still not been sufficiently dealt with. Clause 9 enables a group of the signatories, with no special timber experience, to decide the fate of my industry.

What we have also seen in recent days is the federal government's nomination for World Heritage - the World Heritage proposed extension which gobbles up the majority of our speciality timber areas and leaves us with virtually nothing. The proposed World Heritage nomination was mooted in the IGA, and in the terms of reference for the verification group, but it says a 'possible' World Heritage nomination. It does not say that it is a fait accompli.

What I would like to ask of the signatories, through you, is what work has been done to ensure the speciality sector will have enough timber after these reserves have been put in place and after the World Heritage nomination takes out the majority of our speciality timbers. I have looked long and hard through every bit of documentation that is available in the public arena and I cannot find one scrap of evidence to show that the signatories have considered properly the needs of the speciality timber industry. There has been no demand study. There has been no verification of the amount of timber that is required. We have heard in evidence from Steve Whiteley, of Forestry Tasmania, that FT does not know what timber is out there. We had evidence last year from Mike Peterson, the man who is responsible for mapping the special timber resource in Tasmania, and who is probably the best expert that we have. He said that there was virtually no speciality timbers contained within the proposed speciality timber and craft zone and what is there may support a small cottage industry, and that is about it.

I spoke with another person who has put a submission to the Council last week or the week before by the name of Michael Wood who works for Forestry Tasmania, and he was in charge of Mike Peterson when that mapping was done. In his submission to the Legislative Council he has also stated that he has a very good belief that there is an appreciable quantity of speciality timbers contained within the areas proposed under the agreement.

For me, as a speciality timber user, that has had my alarm bells going off, ever since we heard from Mike Peterson. Mike Wood's evidence, when I spoke to him this week, has also got my alarm bells ringing and he said the people currently in Forestry Tasmania doing the resource analysis are coming up with the same thing - that there are very little, if no, speciality timbers in the designated zone. And the speciality timbers that could be in the zone - are they of the right age to harvest? Are there sufficient quantities to supply our industry? We don't know. The work has not been done.

If the work has been done to back up the reserve areas that have been put forward by the signatories let us see it - let us see it tabled, if it is there. If the signatories can back up what they are saying - that there is enough speciality timbers outside of the reserve areas to support our industry - then that indicates they have not only done an industry demand study and they are aware of our needs, but they have also done an on-ground assessment of all the speciality timber areas that they are claiming have enough timber for us.

But, I can't find the evidence in the public domain. I haven't found it searching through the evidence that has been provided to the Legislative Council through these hearings, so obviously they are basing it on something.

**Mr WILKINSON** - They are still working on it, Andrew.

**Mr DENMAN** - I know they are still working on it, Jim.

**Mr WILKINSON** - That is what they told us.

**Mr DENMAN** - How can they draw a line on a map?

**Mr WILKINSON** - I am sorry, I butted in then.

**Mr DENMAN** - The thing I find particularly frustrating is that a line has been drawn on the map and I think it is more of an ideological appeasement line. It is obviously not based on fact and I challenge the signatories to come out and show us what they have based that on. We can't get it. We can't get that information.

Given that those areas have been not based on fact, I would ask the Legislative Council if they are strongly considering an amendment to the bill that would remove all areas that have been identified as special timber production prior to the agreement, so that all the available areas that we had under the special timbers management plan with Forestry Tasmania are excised out of the first tranche of reserves, including those areas that are to be locked up with the World Heritage nomination.

I know this is probably going to put you all in a bit of a bind because we don't know, as I said to Paul earlier on, who has the bigger dog in the fight, the federal government or the Legislative Council, with regard to the nomination. We don't know, but I would strongly request on behalf of the speciality timber users in Tasmania that those areas are pulled out and laid aside. If, after the work is done, it turns out that we can put those areas back in in the second tranche of reserves then the environmentalists and the signatories will be proved correct. But I think we need to come up with the evidence to be able to ensure that these decisions, and the bill going forward, have been based on fact and not just ideology. There are too many lives at stake here.

As we have said in our submission previously, and it has also been confirmed by Martin Farley and others when they wrote the 2009 woodcraft study, we are talking about a sector with over 2 000 full-time employees, 8 500 hobbyists, and part-time employees to a limited extent. That is just direct employment. We are not talking about the other employment at Bunnings or at specialised joinery supplies or all the other businesses that are supported by our businesses. My sail maker, for example - I support Kingston Marine and I support lots and lots of people out of my business in the local community.

The flow-on effect is huge into our economy. That has not been considered, yet under the agreement, as it was put forward, a guaranteed timber supply was meant to have been sorted out through this whole process - the peeler billet, the sawlog and the specialty timbers. We're still waiting on the specialty timbers. Although Ta Ann is important to the economy and to Forestry Tasmania, our sector is much larger than Ta Ann, so don't we deserve also to have our supply sorted out? I certainly think we do. I thought a very basic premise that the agreement was based on was that each forestry sector should be able to have their supply looked at, assessed, scenarios run and guaranteed. That is the only way we can have forward durability on this agreement.

What has actually occurred - and the more I read about it and the more I read the evidence coming through from the signatories - is that the timber industry especially has been sold down the river between two other interested groups of signatories. We have

been traded out for money for the eucalypt sawlog industry and for environmental outcomes. It is blatantly obvious that that is what has occurred.

The government - sorry, Craig - obviously has its position on specialty timbers and says that there isn't an issue and it is all going to be covered by the agreement. Well, I am not prepared to wait another few years while we have people with no expertise in that area decide the fate of my industry. What does the CFMEU have to do with specialty timbers? What is their specialist knowledge? Why should they be involved in deciding the fate of my industry? What does Don Henry know about specialty timbers besides that they are nice trees in the forest? Have they actually worked with the timbers? Are they the ones who have people employed in their businesses? I think it is reasonable to expect that we have these people informed, that we have the correct people making the decisions and going through and doing a proper assessment of what our industry requires before anything else is locked up. I think that is a really reasonable request.

I will put a scenario to you. If the specialty timber workers were at the signatory table and we decided to chum up with the ENGOs to secure our future and did a deal with them that would cost the sawlog industry over 60 per cent of their resource, what do you think Terry Edwards would be saying? That is exactly what has happened to our industry. We have been divided. We haven't had a seat at the table. We haven't come along at the eleventh hour here. Most of us here have been working to try to make government and the people working through the process, Professor West, Bob Smith and others working through the IVG process aware of our concerns from day one. We have been told the whole way through, 'Don't worry, it's guaranteed. The Prime Minister has signed it. The Premier has signed it. Don't worry. Professor West will come and do a down to business individual users demand study, so we will ask for what you need.' It still hasn't happened, yet they have had the gall to put an agreement together that essentially is going to wipe our industry out, and I don't say that lightly. I'm not saying that we're going to have enough to keep going for five or 10 years, but we have to think beyond that. What about the next generation of woodworkers? There's certainly enough timber out there to be able to provide it on a sustainable basis for generations to come, it just needs to be managed effectively and have a decent plan in place.

The agreement and the bill we have before us were meant to provide a long-term solution for our forest industry and an end to the forest wars. I can't see that happening. It was also designed to provide security to industry so they could move forward, security in the market and security of supply. In the specialty timber sector one of the biggest impediments to business investment is the fact that as business owners - and Craig will attest to this - we have to stockpile. If something comes up in the paper in Saturday and Joe Bloggs is selling granddad's superannuation Huon pine, we have to snaffle it because we don't know if there is going to be any more. Rather than putting on another employee or rather than buying that new saw or that other bit of machinery or extending the shed that is going to improve employment, we are contracting because we have a group of people who have taken our supply away. We have been highly reliant over the years not only on the integrated harvesting which has occurred that has generally supplied the industry with specialty timbers, but we have been really subject to environmental campaigns.

Let us go back to the Community Forest Agreement. Before that we were getting around 23 000 cubic metres of specialty timbers per annum. Post-CFA we are down to about

13 000 cubic metres per annum and after this, our so-called guaranteed 12 500 cubic metres subject to verification, in the whole-of-government submission that was put out they said a minimum of 10 000-plus, and they also state that the harvest level would be 10 000 cubic metres - this is the table in the whole-of-government submission that you have probably all seen.

They are saying that we are going to get a minimum of 10 000 cubic metres based on 2011-12 volume supply and these were significantly lower than previous years. Yet we heard in evidence only two weeks ago from Steve Whiteley that we are down to 9 000 cubic metres, of which 7 400 cubic metres of that is blackwood, 500 cubic metres is Huon out of Huon stockpiles, so now we are down to about 1 100 cubic metres to spread amongst four other species - about 275 cubic metres a sawlog each - is that going to be enough? Historically, no way.

The special timber strategy says we're going to have 500 cubic metres of the non-blackwood species and that has been proven not to be enough. How are we going to make do with 9 000 cubic metres? It just keeps getting chipped away, over and over again, and because we do not have a demand study done they will keep chipping it away.

The ENGOs and the Greens' claim initially was that we needed no more than 6 700 cubic metres per annum. It is widely out there in the press and that figure has been around the traps for quite a few years. What are they basing that claim on? The evidence I am hearing from members of the Specialty Timbers Alliance and other people who aren't members but are working in a special timber industry is that they can't get timber. There have been species-specific shortages such as celery-top pine and blackheart sassafras and that was confirmed by Forestry recently in the hearings. You can't run a business like that at all.

I will give you an example. At the moment I am having discussions with a potential client from Hong Kong, who has approached my business to look at building them a 40 ft yacht in a traditional construction. That boat is probably going to be worth, at the end of the build, around \$800 000 and will employ four of my staff for 18 months to two years. I am going to need five cubic metres of celery-top, assuming I am only planking with it below the waterline on that boat and using it for the structural timbers. If he wants the whole lot planked in celery-top, you would probably double that figure.

What Forestry is talking about cutting for celery-top this year, I don't know - they are talking about possibly getting 200 cubic metres. They are scrambling around at the moment trying to find stuff and were talking about cutting 20 cubic metres which is going to relate to probably four trees, depending on the size, and we have heard from my evidence to you previously that out of a cubic metre log - a really good log - we are going to recover, somewhere between 5 per cent to 10 per cent of that will be boat timber. So what am I going to tell Mr Hong Kong? 'Sorry, we're closed for business, I can't do it, I can't get the timber', and he'll go somewhere else. That is \$800 000 worth of work that Tasmania is going to miss out on because we don't have a guaranteed supply. That is food on the table for my guys, it is mortgage payments, it is school fees, it is car payments - all gone - and we can't afford to do that in this state. Economically, we are not doing that well, I don't think.

Getting back to the agreement, I was talking about the interim period, and I am sure there will be pressure from the ENGOs to say, 'Look, we've got specialty timber sorted out. We've got a group together that are going to do the clause 9 thing and we're going to have a talk over the next couple of years'. We have heard in evidence from Forestry that they are going to try to bring some timber scheduling forward. The TFA allows for specialty timbers to be harvested in accordance with the Special Timber Strategy 2010 which was put out by Forestry Tasmania - you are probably all aware of it. That was looking at a minimum of 12 500 cubic metres, as we all know, with the relevant amounts of non-blackwood species, but that was based on close to 100 000 hectares of forest; there is just over 97 000 hectares. What they are proposing to do is to harvest in volumes that are meant to be representative of that strategy but out of a much smaller area of forest.

We are already hearing that that timber is not available. That has got to be ringing alarm bells around the place so can we get the timber or not? Forestry can't tell us and Forestry, as the forest manager, would have advised the signatories that we can't get that. The signatories have obviously done their own modelling to say we can get that. It just seems to me that they have not actually thought it through. It has been, let us get an agreement through, let us get something for the sawlog industry, let us get something for Ta Ann so that FT keeps going, and we will sort out the speciality timber guys later because we really do not know what to do with that just yet.

That is reflected when we talk about certification, which is another major issue we are going to be facing. We have all heard that the industry requires FSC certification to be acceptable to market. When you read back through the original IGA agreement and they talked about certification, it did not actually list which areas of forest they were going to get certification for but they talked about getting Forest Stewardship Council or Australian Forestry Standards certification for 'appropriate' remaining forestry activities. What the hell is 'appropriate remaining forestry activities'? Is that all forestry activities post agreement?

If we fast forward to clause 47 of the current Tasmanian Forest Agreement, in the agreement it actually states that there is basically the permanent timber production zones and we have got the speciality timber and craft zones. Clause 47 talks about certification but it only mentions the permanent timber production zones. It does not mention the speciality timber and craft zone. I have recently written to the Tasmanian Greens and the government and the federal government, to minister Burke, and also to the Premier to request clarification on their position on that. It is quite obvious from my reading, however I am just a layman in industry, that there is no intention to provide FSC certification for specialty timbers. I certainly think that should be something that the committee, dare I suggest it, should be asking the signatories: was that the intent? Because if we end up a sustained market campaign against the special timber industry, saying, 'Do not buy their products; they come from old growth rainforests', we are buggered. We do not have the money to fend that attack off.

We heard evidence from Phil Pullinger before the committee and he stated that it would be very difficult to convince the market to buy products from an industry that is getting its resource from old growth rainforest. Now that is signalling the intent, I think. If we cannot get FSC certification for our product then what do we do? We become alienated from the market; we become unacceptable. We have seen what has happened already

with Ta Ann's products in Japan. We have seen Markets for Change and what they have done to them and how that has actually affected their bottom line. The last thing I want to do is have a bunch of people turn up at my gate padlocking themselves to a boat saying you can't sell that and getting media attention for it.

I think this goes to the heart of the durability of the agreement. If we are going to get certification for our timber products from Tasmania then we want to be able to display them and sell them around the world loud and proud. We can't have some and not others that are certified and I think that is a really important point to make.

The other thing I wanted to touch on was the socio-economic impact study. Is the committee aware that the federal government has completed their socio-economic impact study as they said they would in January?

**Ms FORREST** - Not as at last Thursday.

**Mr DENMAN** - Part of the socio-economic impact study, as I understand it, was including some modelling on the effect of the withdrawal of specialty timbers out of the sector. I do know that Mr Martin Farley is working for Bob Smith; Martin wrote the 2009 woodcraft study. They have a model. They have crunched some numbers through it and it is not sounding pretty. I think the socio-economic impact on our sector is something that needs to be considered again, not after the horse has bolted, not after we have locked it all up, but beforehand. The whole idea of a socio-economic impact study is to say we are about to make a major change in policy, so let us see how it is going to affect our community before we actually proceed with this. That is the responsible thing to do.

**Ms FORREST** - You said there's been some modelling done without the special timber sector at all?

**Mr DENMAN** - No, just with the removal of some timber from the sector.

**Ms FORREST** - We demanded that the socio-economic impact assessment be done of implementing the agreement and also of not implementing it. Not implementing it means making a range of assumptions, which is part of the reason it may be taking a bit longer because you have to make a range of assumptions which may or may not be accurate, like Ta Ann withdrawing from the state. I suggest it is already a challenge to get special timbers in the quantities you require currently, so I am not sure what they fed into the model. This was the very intention, I believe, of doing this so what is wrong with that? We will have that before we debate it, so isn't that what we want?

**Mr DENMAN** - It is what we want, but shouldn't that information be available now?

**Ms FORREST** - It will be before we deal with it, yes.

**Mr DENMAN** - But shouldn't that also be available for the public so they can make submissions in an appropriate time, particularly for example this process here? Trying to get information has been quite difficult and a good example is the quality of the maps that have been put up on the website. About 18 months ago when this first came out, George kindly provided me with a map from Forestry that was in A0 format. You could see right into the specialty timber sectors and have a look. There was latitude and

longitude. It was a scaled map and was easy to go through and determine where our timber was from the mapping that Forestry had done. These maps we are seeing now have no grid lines, no latitude lines, no scale. I have done the exercise of going to the Xerox shop and trying to enlarge the maps, and it only enlarges in one direction, to make overlays to make a presentation to Julie Collins. It was quite difficult. I feel that information should be available to the parties that are going to be affected and also to the public so they can make proper comment on it and participate in the process. I understand it is going to be available before you debate it, but what about the community debate?

To finish off my last point, we were talking about the socio-economic impact of the Tasmanian Forest Agreement on our sector. I think the work hasn't been done. From what we are seeing anecdotally it is going to be a major issue. We are going to see large increases in costs of raw material, which is going to have an impact on businesses. I was at Salamanca at the weekend talking to some of our members and some of them were saying they have experienced between 40 per cent to 50 per cent increase in specialty timber raw material costs since the agreement was first signed. I have given evidence to the Legislative Council previously that we've seen around a 30 per cent increase in celery-top pine prices. This is without the agreement even being implemented. The impact on that, as Craig was saying earlier on and he will probably speak to that shortly, is that there will be a tipping point where a client won't buy your product because it is too expensive. It is nice to have a special timber table but the price we are paying as the user of the timber, as the value-adder, is substantially different to what the mills are paying.

To give you an idea - and these figures are probably old - for example a Huon pine miller is paying \$350 a tonne for logs, and as a boat builder I pay \$8 500 a cubic metre for that timber. So one telephone pole worth of Huon pine is worth \$8 500 and it has been quite high like that for some time. When I explain to my clients that the raw material cost is up 20, 30, 40, 50 per cent, they will ask what alternative we have. They won't keep coming back to us. They won't come back to Brand Tasmania to use our timbers. The impact of the increase on costs is something that hasn't been considered yet. Also, with the removal of the practice of integrated harvesting and old-growth logging, from where we primarily source our timber from over the years, the impact of that and the impact of transitioning out of native forest logging we had a prime opportunity during the verification process and the socioeconomic impact study to assess how that is going to affect the specialty timber sector.

I had a meeting with Steve Whiteley with George late last year and we talked about the impact of getting out of integrated harvesting, the eucalypt harvesting on the price of specialty timbers. What came out of that meeting was that we have to look at different extraction methods. Single stem extraction is fine, that is what we need, but then there was talk about heli-logging. How much was that going to cost? Had we done a study on that? The answer that came back from Steve was, 'Well, we don't know but it's going to be a substantial increase in price'.

All we are asking is whether we can get this work done before we pass this bill, before we make the amendments to the areas that take that timber away. I think it is a reasonable request and certainly something that should have been considered by the verification group. That was part of their charter and their terms of reference. They

were to consult widely, including the special species users. That was their job and they didn't do it.

Now I would like to give you a little bit of first-hand experience from another user in the industry. Craig Howard is a fourth generation furniture maker. He mills his own timber a lot of the time and has a substantial investment of around \$1 million in his business, and like most of us he will stand to suffer under this deal.

**Mr HOWARD** - I also have a son in the fourth year of his apprenticeship. He is fifth generation.

**CHAIR** - Andrew, it might be productive to go to questions to your presentation and then to Craig's in turn.

**Mrs TAYLOR** - Clause 4 of the agreement, part (c) says:

A yield of specialty timbers to meet the need -

Clause 9 is the determination they are going to do the work, and they haven't done it as you say, and I cannot see that we are going to get that done before 15 March when they would like us to come back with some kind of debate and decision. Clause 4(c) says:

Pending that determination annual supply will be as per the FT Special Timber Strategy 2010.

So that is the 12 500, yes?

**Mr DENMAN** - Yes.

**Mrs TAYLOR** - You are thinking that is just not possible?

**Mr DENMAN** - Steve Whiteley answered that question from Jim about whether or not those quantities of timbers were in accordance with the strategy, and he spelled them out quite clearly then, the 10 000 of blackwood, and the answer from Mr Whiteley was no. That has already been advised to the committee.

**Mr WILKINSON** - And the others from 500 were down to 250.

**Mrs TAYLOR** - So it cannot be done.

**Mr DENMAN** - Cannot be done.

**Mrs TAYLOR** - Despite the fact that it is there in clause 4. What will happen if they say this is what we will do. Won't that kill the durability?

**Mr DENMAN** - I don't think we are invited to comment on durability, it is up to the signatories isn't it?

**Mrs TAYLOR** - Yes, that's true.

**Mr DENMAN** - But certainly it would have a direct impact on the government's responsibility to their durability portion of the agreement.

**Mrs TAYLOR** - The other thing that we have been hearing and you have alluded to it a bit, Andrew, is the fact that although it says 12 500 or 10 000 or whatever the number is, a very big proportion of that is blackwood, which is not the main issue here for you. The smallest proportion or the most difficult to get is the celery-top and the sassafras obviously, so the fact that even if they adopt 12 500 that doesn't solve your problem does it?

**Mr DENMAN** - When you look at the amount of timber that has been provided to industry previously and the information and advice that was provided to the verification group by George, George was tasked with providing a demand figure for the amount of specialty timber use in Tasmania. He was given four days to come up with a figure for the whole state and that figure that was provided could only come from the supply side of things, which was 16 748 cubic metres per annum as a decade-long average harvest. That was completely independent of any private timber sales, so we are only talking about mill door sales, I think it was, George. As Craig has alluded to this morning and also from some of our other members we are seeing a lot of timber that is coming onto the market at the moment from private sales where people will store it away for super, believe it or not. If you can buy Huon at \$2 for super, it is \$22 at the moment. That is better than what you are going to get on the share market.

**Mrs TAYLOR** - If this agreement does not go through, what then for the specialty timbers? Your resources or the supply in the last few years has not been good. What happens if there is not an agreement?

**Mr DENMAN** - That is a really good question. We did have the special timber strategy in place in 2010. That was a 10-year agreement, I believe. We did have some contracts and supply which were due to run out in 2016. From memory, there were 23 contracts for specialty timbers. Obviously there needed to be some review of that at that time, probably at the end of the agreement. Also, as we are starting to get out of more old growth logging, that was always going to be a problem for the special timber industry. At some stage we needed to ask whether we wanted this industry or were we just going to let it fade away with old growth logging as that fades away. That is something that would have had to be dealt with independent of this anyway. It was something that we were coming to. I do not have the answers to that.

**Mrs TAYLOR** - There is still a big issue regardless, outside of this agreement. We still have the issue of supply.

**Mr DENMAN** - There is. However, that supply is directly affected by the amount of forest that is available, that is what must be remembered.

**Mrs TAYLOR** - It is also directly affected by whether there is peace in the forest and whether we have a forest industry at all if there is no agreement. That is why we are being pushed to sign the agreement.

**Mr DENMAN** - The special timbers strategy in 2010 was non-clear-fell, it allowed single-stem extraction, species dependent, long-term rotation - for example, minimum 200

years for myrtle, which is exactly what the green groups and the ENGOs have been touting for a long time. They get what they want and now it is taken away. There was sustainable forestry at its best but we needed the area to put aside. You need rainforests to provide specialty timbers. You cannot have one without the other. You cannot get it off buttongrass plains, which is what we are seeing at the moment.

**Mr JESSUP** - You don't use regrowth specialty timbers.

**Mr DENMAN** - No, except for maybe blackwood on an 80-year cycle.

**Mrs TAYLOR** - I find it hard to reconcile that they have said that we will stay with that 2010 agreement but, as you say, we have been told the resource is not there in the area that is going to be left.

**Mr DENMAN** - It is simple maths, I think, that you have just under 100 000 hectares to supply that strategy. We don't have that anymore, so it is going to lead to more intensive logging on the remaining areas, assuming that the timber is there and at the moment the evidence is coming out that it is not. If they cannot fulfil that, where is the timber going to come from and what happens to the industry?

**Mr GAFFNEY** - What is the current storage amount of specialty timbers that you know of who stores those?

**Mr DENMAN** - The only formal storage facility I am aware of, Mike, is the Wooden Boat Board Bank, which was a 1997 RFA initiative. Murray is probably the best person to answer that because IST - Island Specialty Timbers - are looking after it and Murray was involved in that.

**Mr JESSUP** - The Wooden Boat Board Bank currently contains about 20 cubic metres of boat-grade Huon pine as boards or slabs, about 4 cubic metres of celery-top pine in boards and about 4 cubic metres of King-Billy pine in boards. All of that is verified boat-grade quality. Outside that there are some small, private supplies of boat-grade specialty timbers but in total, very low.

**Mr GAFFNEY** - You mentioned the cost of a celery-top boat, potentially \$800 000. You said the cost of a cubic metre for Huon pine was about \$8 500. What is it for celery-top?

**Mr DENMAN** - About \$6 500 to \$7 000 and it is going up substantially. .

**Mr GAFFNEY** You mentioned \$2 for Huon up to \$22.

**Mr DENMAN** - That was a very long time ago when Huon was \$2 a super.

**Mr GAFFNEY** - Does that mean in the past that speciality timbers that Tasmania has - and you guys know because you are in that industry - have not really reflected the market value and importance of that? If we are in a situation now where celery pine is at \$6 500 and Huon is at \$8 500 and we have all heard stories of burning it down on the west coast, that sort of thing, surely through this process there could be some good come out of it in the fact that we don't charge enough for those speciality timbers? I know it makes your product harder to sell but if we are coming down to a finite resource - if it is a 400-year

celery pine type growth thing - where do you guys draw the line at what you will sell off cheaply, I suppose, compared to using the product. I mean, you need the top end stuff so I am interested in the industry's overview on that sort of view or position.

**Mr HOWARD** - I will answer that one. I will put it this way, if you could buy a beautiful Blackwood table for \$4 000 but then you were charged \$8 000 because the raw material was more expensive, would you pay for it? That is what we are up against.

**Mr GAFFNEY** - But isn't there a market there?

**Mr HOWARD** - There is, but it is diminishing.

**Mr GAFFNEY** - If you have an \$800 000 boat being sold, or being sought after from Japan or wherever you said - Asia or something -

**Mr HOWARD** - Hong Kong.

**Mr GAFFNEY** - you have that, so there is a market there for that top-end product. Obviously, if they can buy it for \$400 000 they will, but if they will pay \$800 000 it means there is still a market there for that speciality timber. I just want to know how the industry works out a balance of what is an appropriate fee.

**Mr DENMAN** - It is really driven by the market and that is pretty much all we can do. We can throw it out and look at our profit margins, our costs of doing business and mark up our product accordingly, and it will be determined by the market whether or not they wish to pay that. There has been a lot of discussion from the detractors of the speciality timber industry - and, please, Mike, I don't include you in that - saying we are not paying enough for the timber, and we haven't, and it is a valuable resource. When you say it is a finite resource, it is actually an infinite resource. We just need to think more than our lifetime. We need to look at some of the working forests in Europe that are looking at rotations of hundreds of years. We are thinking of generations to come. If we pull the celery out that is 400 years old and it is replaced, then in 400 years' time we are going to have more celery. I don't think that it is a finite resource at all. It is finite in our own minds, set in our lifetime, and we need to think further down the track than that.

As far as how much people are prepared to pay, as I said, it is really up to market forces but you will find that the profit levels in the speciality timber value adding industry are very low. There was a submission to the Kelty process at the very start of this process from some furniture makers in Victoria who utilise our speciality timbers and they were saying that even a 10 per cent increase in raw material costs would put a lot of them out of business - it was that price sensitive. You have to look at what products you are competing with. I know an \$800 000 timber boat - and I can speak on authority about the boat building industry - but timber boats are very rare. You are probably getting one every four or five years, like Tetsuya's boat that was built down here. Things like Craig would make - if he is making a nice table he is competing against Harvey Norman. That is probably a bad choice, but he is competing with imported timber products that are coming in from overseas. The economy has been down a little bit. The people who do have money will spend their money, but the people who are borderline will say, 'Do I pay \$4 000 for that table or do I get another one here that looks just as nice for \$2 000, even though it is made of imported timbers?'. George, you might have a comment on that?

**Mr HARRIS** - If I could make some comments about that, I believe it might have been you this morning that made the reference to the Huon Pine banana.

**Mr GAFFNEY** - It has come up before.

**Mr HARRIS** - If you were to take that item and weigh it and then equate it to a price per tonne, you would probably get quite a surprise and, in fact, I challenge people to do that quite a lot.

**Mrs TAYLOR** - Tell us the answer, George?

**Mr HARRIS** - I don't know. I make a product that weighs 80 grams and it retails for close to \$30, and at that you are looking at over \$300 000 a tonne, and there are plenty of other examples like that. Looking at speciality timbers, there are a couple of points I would like to make.

The 12 500 cubic metres was suggested to be the sustainable annual volume from the 98 000 hectare special timber zone. We have been getting special timbers from areas neighbouring that zone that were in the standard state forests, that produce special timbers as arisings from conventional forest operations. A lot of that is contracting, as is a lot of the area where we would be getting our special timbers. Some of the things to consider about special timbers are - you have a 400-year-old celery-top pine and it's instantly available because it's there. You can make good use of that, but not far away there might be a 390-year-old celery; and there might be one just coming out of the ground, so you know that in 400 years time that one is going to be a beautiful source of timber. If carefully managed, we are looking at a long-term supply of special timbers.

The issues are: you can't harvest them where they don't grow and you have to have access to them. We are in a situation where more than 90 per cent of the King Billy pine is already in reserves, and around 90 per cent of the Huon pine is in reserves. We have had almost all the myrtle put into reserves. Around 1990 you could sustainably look at approximately 20 000 cubic metres of myrtle but that came down to 500 cubic metres with the Community Forest Agreement, which gave rise to the special timber strategy. Now we are looking at maybe 100 cubic metres, I don't know. If you look at the area remaining available and assess it in terms of what the sustainable supply is over a period, this is where the problem is. We are not looking to trade to the end of a contract period. We are saying this is such a valuable industry, in its social and cultural terms, that it is an ongoing industry. We would like to think that in 1 000 years' time people will still be able to engage in this activity. The nature of the timber is not going to change. This is of such cultural and economic importance, that this industry has to be properly provided for.

**Mr DENMAN** - Michael, following on from George's comments and coming back to your original question about pricing, because the aim is to have a sustainable industry on an intergenerational basis, to keep on going, there shouldn't be any need for an increase. There will be an appreciation over time, with inflation and the cost of doing business and we will the cost of our resource go up, but I don't think we should see a massive spike like we've seen in the last couple of years. Should we say, 'They're very valuable so we're going to double the price now and people will place more importance on them'?. That is like punishing the end users for the sins of past of forest practices.

I know there have been some poor practices, and I am with you on that. I've been out in the coupe and seen celery logs that were 20 to 30 feet long, gunbarrel straight, and they are at the bottom of a pile of timber. You would like nothing more than to get a 20-tonne excavator and pull it out.

I have also said to the Legislative Council previously that I have seen good changes in forest practice. I have seen curved pieces - craftwood - that have been brought out. I have been on the west coast when there were 10-yarders full of Huon pine stumps that would never have been pulled out before. The change in forest practices is not going to happen overnight but I have seen the change in my limited time in Tasmania over the last eight years. For an industry that has been so far the other way to have made the change - we're not calling them minor species any more, they are now special timbers because they have a special place in our society and need to be treated as such.

Unfortunately, the problem with our industry is that we haven't had a collective body in the past that would stand up and say the preferred customers for our timber products here in Tasmania are the end users and processors in Tasmania. We want to value add here, we want to have a strong value-adding industry and there is tri-party support for that, but no-one has ever grabbed it by the scruff of the neck and said, 'How are we going to do this? How are we going to ensure this industry that we all want and love parading around survives? The Premier loves getting up at boat launches and craft fairs and everything and saying, 'Look at our wonderful timbers'. Well, how about putting a bit of meat on the bones and actually getting a strategy in place that this whole process could have quite easily achieved and give us something to work with into the future?

**CHAIR** - Do any appreciable quantities of special timbers come from cable-harvesting processes?

**Mr DENMAN** - I can't answer that one, Paul.

**Mr JESSUP** - Yes, they certainly would do if the forests contained a good understorey of special timbers. Cable harvesting can treat special timbers as gently as the eucalypt logs, and it certainly does. In the Huon district blackwood and some sassafras and celery-top pine would have been harvested particularly by Bennett's Contracting from cable-harvesting operations. Cable harvesting doesn't mean that it would destroy special timbers.

**CHAIR** - No, I was coming at it from another angle, Murray. If there is a cessation of cable harvesting because there is some tension about that as a harvesting method, would that pose a further threat to supply?

**Mr JESSUP** - It would mean that areas of forest on steep land that could only be properly harvested with a cable machine would not be available so it could worsen the future resource of special timbers from steep land.

**CHAIR** - Andrew, you addressed your mind to the harvesting of old-growth forest and we have had a reduction if not a cessation of clear-felling in a policy setting. What assurances have you sought from government or anybody in the decision-making process

as to ongoing access to special species timbers, given that there is probably an aspiration to cease old-growth harvesting entirely?

**Mr DENMAN** - As recently as this week I have written to the Premier asking her to clarify her position on support for the specialty timber sector including supply issues. Prior to that I have written on a number of occasions to the resources minister, particularly in respect of celery-top pine for boat builders. I wrote to him in April last year and still haven't had a response.

**Mr DEAN** - It's probably on its way.

**Mr DENMAN** - There were questions on notice that Vanessa put forward last year in relation to that and we still don't have the answers, although, as I said before, I believe Steve Whiteley from Forestry Tasmania has provided the answers to the minister.

I have also asked the federal environment minister - who looks like he is the federal forestry minister half the time - to provide me with some assurances on specialty timber supply. I raised concerns with him in April last year and got a response I think in November last year saying he had essentially no faith that the agreement was going to have legs and get up but thanking me very much for bringing it to his attention. I have personally written to every politician in Tasmania and raised this issue and quite a number of you, including members in the upper House, have kindly written back, but certainly from the government side of things it has been very difficult to get any commitment on supply.

I have tried through the government in my work with the Wooden Boat Board Bank to skew the bank towards our least available timbers such as celery-top pine. When that board bank was being run by FFIC as a ministerial council we tried to do that but were unsuccessful. It certainly has not been a success. I can say with authority, Paul, that the government is well aware of our resource issues but we have not had any success in having them addressed.

**Dr GOODWIN** - Andrew, I wanted to try to put your business in an Australian context. You have talked about having a 314 per cent increase in boat work to December 2011 and then a further increase after that, and then you mentioned that the business has become one of the most prolific wooden boatbuilders in Australia. I want to get a bit of background from you as to why that growth has come about, your position in relation to other wooden boatbuilders in Australia and how important this is to Tasmania.

**Mr DENMAN** - I moved to Tasmania in 2004 to attend the wooden boat school at Franklin to essentially do an accelerated apprenticeship to become a qualified professional boatbuilder. The aim was to only stay for a couple of years but we fell in love with Tassie - like most people do - and we decided to stay, start a business and settle here with our children. The business originally started with just one employee and then we went down to a sole operator. As soon as word got out that we were building boats in Tassie and we had a website up and running, business got to the point where I quickly needed to put another person on, which I did in 2009. Also about the middle of 2009 we were approached by Dragons Prow, which did all the artwork for the *Lord of the Rings* and *Narnia* films, to provide them with five boats on short notice, in five weeks, for the filming of *The Voyage of the Dawn Treader*.

**Ms FORREST** - Models or real size?

**Mr DENMAN** - Some were half-boats but most of them were full size. It's a bit hard to decide on how big a boat a minotaur needs, but anyway -

*Laughter.*

**Mr DENMAN** - Of course we said yes because we can do these things in Tassie. The reason that job came about was because we had a boat at Salamanca Market; many of you have probably seen a little clinker dinghy at Salamanca during the summer markets. We have built one for a local school for the last seven years every year as their major fundraiser. A person from the art department picked up a business card when they saw that and went 'Wow, that's exactly what we're looking for'. After that job, where we had eight people working 90 hour weeks to get that job out, and we used a lot of celery-top pine in those boats, I ended up keeping four guys on to start with and we have since gone back to five. We have worked hard in our industry sector and traditionally wooden boatbuilders don't have work sites, believe it or not. They generally work from job to job, and the classic example is Wilson Brothers at Cygnet who have a one-liner in the Yellow Pages and are the oldest intergenerational boatbuilding family in the country. They have probably built more boats than I will ever get close to.

We approach the traditional industry with modern thinking and promote the business. I feel we profile our market quite well, targeting the baby boomers, and with four million of them retiring in the next decade or so we have a pretty good market to look at. So with clever marketing, with pushing our brand Tasmania - 'Come to Tassie, we have the best boatbuilding timbers in the world'; that's what we tell people - and our legendary craftsmanship in Tasmania, the whole brand of boatbuilding here has been very successful.

We are currently running with five FTEs, including an apprentice we started two weeks ago - we couldn't wait for this to finish. I was waiting to see what was going to happen but we had the work so we needed another one to put on, and hopefully we will still have timber so he can see out his apprenticeship.

**Dr GOODWIN** - That is the point - you have the work, there is a market, it is growing and the future, provided you have the supply, is pretty bright.

**Mr DENMAN** - It is almost like a dream to think that we could actually have supply and not have to worry about devoting time out of our business to find some celery-top or ring up a mill which might send something over or say, 'No, haven't got any'. Typically, we would place an order with the mills. Even for a 30-foot boat, you would ring the mills and say, 'I'm going to need planking stock about an inch and a half thick; I'm going to need a couple of cubic metres of random lengths', and slowly over probably six to 12 months they would accumulate that timber. It is not like going to Bunnings and buying it; there is a big lead time, particularly with getting suitable timber. As we have discussed before, sometimes a lot might look perfect on the outside, but you cut it down the middle and it's full of bark inclusions and they have to start again. It is a funny industry to work in where you say to your client, 'We're hoping to start planking in

January. The stock has been cut six or nine months ago, it's seasoning, we should be right to go'. There is a long lead time.

**Dr GOODWIN** - Where are most of your clients coming from?

**Mr DENMAN** - Traditionally it was mainland Australia. We have a number of clients in Tasmania and have established an export market in New Zealand, and we are building a boat for a New Zealand client at the moment, so this will be our second boat in the last 15 months. We are getting a good level of inquiry from there. Even though at the moment the value of the dollar is quite high compared to the US, we are actually fielding inquiries from the US as well.

**Mr WILKINSON** - A couple of questions and one will flow into the other one, Andrew, but the Wooden Boat Festival, the third one coming into play now, how has that gone because the focus of that place is now on Tasmania with probably the second-biggest in the world, and as a result of investment it would still be the first, I take it. Have you found that that has also caused an increase in your market for people focusing on Tasmania with the heritage in maritime boat building?

**Mr DENMAN** - The Wooden Boat Festival is a really interesting beast, Jim, in that as a boat builder you are putting yourself on show to a lot of people. The organisers are expecting somewhere between 150 000 to 200 000 people through the door. We had about 150 000 last time and that's the figure that they are using. I had five guys on my stand, we had 300 square metres in PW1 and we were talked off our feet the whole four days. It was incredible. We were basically saying, 'This is what we can do.'

This year I am a bit concerned in that if I get someone saying, 'Can you build me a boat? I'd like to get a celery top pine or a Huon pine boat built', I can't lie to them. I have to say them, 'Look, we are having issues with it' and I don't want to do that because I really don't want to lose the business and I don't want to lose the work for the guys who work for me. I don't want to jeopardise their employment; I don't want to jeopardise my own kids going to school and paying fees, but I have to be honest with my clients and say, 'Well, sorry mate, we might be able to get the timber, we don't know'.

I certainly think that the agreement at the moment and all the whole debate around the forest industry is actually causing some problems with the industry. People saying, 'I didn't know if you could that anymore' is a pretty common quote.

**Mr WILKINSON** - The other question to flow from that was: when you spoke about the World Heritage area and the extra 50 000-odd hectares that were put in which were not part of the agreement up until last Thursday, 10 minutes after a meeting out here, what is the situation with that? You say you have looked at the areas, that is taking into account that extra 50 000, do we know where they are and do you know that they are specifically areas where you would take your timber from for boat building?

**Mr DENMAN** - George might correct me on this one but I'm not aware where the other 50 000 has come from. I have seen a map with 123 650, I think was the figure. The best map I have seen is on the ABC News website, which has obviously been released by the federal government, but at least that had some type of scale and reference markings on it

so that we would try to do a comparison between the specialty timber areas and the World Heritage area nomination.

It should be easily and readily available. Michael Wood at Forestry Tasmania did confirm that it would be an easy thing to do to do some GIS mapping, overlay it, look at the resource and see what's actually taken out. One comment, and I don't know if it has been confirmed yet, is that the Warra long-term evaluation site down there in the south is contained within the World Heritage area nomination. We haven't had that confirmed yet, but quite possibly that could be in there.

Not having those accurate maps available when they should be available, it should be easy to make this decision, but we can't because you are always struggling to try to get the bits and pieces of information put together.

**Mr WILKINSON** - So as yet we don't really know where those extra 50 000-odd hectares are coming from?

**Mr DENMAN** - I can't say from a specialty timber perspective, Jim, that I know where they are. There is only so much information we can keep up with, but I think if that information were readily available in the public arena and we could assess it, yes, sure, we could probably provide some comment on it.

**Mr VALENTINE** - I have heard all sorts of figures bandied around in terms of the age of timber needed for boat building. Is it 400 years, is it 300, 200?

**Mr DENMAN** - You are not going to be able to look at a tree and say that it's 400 years old. Growth rates are going to be dependent on where the tree is and the climatic conditions. As a good average figure for celery [top], you get to about 400 years and that's from talking to really experienced people in the industry who have been out in the forest looking at the trees - for example, Roger Linnell, who is one of our most experienced celery top pine millers in the state down at Huonville and who, by the way, is closing up shop because he can't get timber. That's an average figure from him.

**Mr VALENTINE** - Listening to the comments that are being made, is it fair to say that to achieve sustainability in the special timbers area, especially with celery top being the oldest timber required, that we really need to move towards single-stick harvesting in even reserve areas into the future, as opposed to pushing through areas to be left unlocked, if I can put it that way?

**Mr DENMAN** - I will answer your question in a couple of parts. Firstly, celery top being one of the oldest boat-building timbers - we know that Huon pine and King Billy pine are a lot older than that.

**Mr VALENTINE** - Yes, I understand that.

**Mr DENMAN** - So we will say it's still a commercially harvested species.

**Mr VALENTINE** - Yes.

**Mr DENMAN** - Single-stem extraction was part of the Specialty Timbers Strategy 2010 and it makes sense to me to say, let's look at our forest estate as a whole; let's assess exactly what's in there.

Let's say, Ruth, we want a forest industry in Tasmania that includes specialty timbers, eucalypt and everything for generations to come and we look at the areas where the specialty timbers are, and say, that's single stem extraction, and we are going to go in there and have on-ground proofing and say, well, we have a good section here and matched up with industry demand we know that over the next 10 years we will be able to get a certain number of trees out of there. I think that's the way that it needs to go and you will find that most of the people in my industry and the value-adding industry would consider themselves to be environmentalists, believe it or not. You know, we don't want to see clearfell, slash and burn for minor species; we want to see it harvested sustainably and we want to see it for generations to come.

Unfortunately we have been heavily reliant on the process of integrated harvesting and our main supply being FT, we are a slave to it.

**Mr VALENTINE** - To get it at a reasonable value as opposed to an horrific value.

**Mr DENMAN** - If a plan is in place it's entirely possible to have a special timbers plan in place that includes the harvest methods, that keeps the price down to the end user - to the actual special timber value-adder - at a reasonable cost that the market will offset. I think there is room there for a plan that can do that.

**Mr VALENTINE** - You don't have any understanding of exactly how much area you would need to have a sustainable cycle? Presumably that work has not been done definitively.

**Mr DENMAN** - Probably the closest thing - if you could bear with me for a second, I will pull out Mike Peterson's e-mail.

**Mr VALENTINE** - Yes, I have read his stuff.

**Mr DENMAN** - Okay, he was talking about a lesser quantity of specialty timbers than what we are talking about now and I think, from memory, he was talking about 160 000-170 000 hectares - a lighter touch on the environment, a bigger area, which is going to be better for biodiversity and it's going to be better for a long-term approach to forest management.

At the moment what we are seeing is we still have the same-sized industry - we have just shrunk the forest that's available - what's that going to do to biodiversity?

**Mr VALENTINE** - We may have. It depends on what they come out with under this clause 9, doesn't it, really, whether or not it has totally shrunk.

**Mr DENMAN** - The size of the specialty timber industry has been well documented. It has been accepted. Bayley's report was quoted quite extensively with Jacki Schirmer's stuff that she did for the IVG - it's there to read. We are talking about at least 2 000 full-time employees, a large number of businesses, so the size of the industry sector is still the

same yet we have shrunk the forest. That's obviously going to cause supply issues. That's black and white.

**Mr HARRIS** - Some of the issues that we are looking at here - and again, it comes back to the maps which we have discussed a bit - are the classification of the reserve areas. If you look at the maps and say, okay, of these proposed reserves, look at all the ones where timber harvesting is precluded, and then look at where the timber harvesting is permitted and then, if you overlay over the top of that, where is the specialty timbers zone and you see how much of that we have actually lost, and then if you understand where do the specialty timbers actually grow, you start to look at - if these areas have been identified as rich in specialty timbers but they are all now going to be in reserves where timber harvesting is precluded, that's the source of our problem.

Internationally, there are different levels of reserve from 'protected area' at one end, right through to 'no reserve'. Between those two extremities there is a range of situations, including, for most of them, where an accepted amount of timber harvesting can occur. Here we have gone to a situation where so much of the forest is going to be in classification, where no timber harvesting can occur; this is the consequence that is applying to us. We are looking at so much of the forest where we know special timbers will only grow, and they are now not going to be available to us.

Forestry Tasmania now has an 80:20 ratio of 80 per cent non-clearfell-burn-and-sow to 20 per cent in the areas where they harvest eucalypts. That ratio has gone right down. In some areas where there are pure eucalypt or eucalypt-dominated forests, there is nothing wrong with clearfell-burn-and-sow when administered properly. The thing about special timbers is that we have benefited from the proximity to where eucalypt harvesting in wet mixed forest has been to our advantage. It has helped provide forestry roads, which cost a minimum of about \$80 000 per kilometre. This process locks up hundreds, possibly thousands, of kilometres of forestry roads. That is an item of infrastructure we now have to replace to get access to a much smaller yield of timber.

I was talking to a helicopter pilot recently and I asked him a question about helicopter logging. Some of the figures involved were absolutely scary, but it's something we are going to have to look at. They use 1 000 litres of fuel an hour so you are looking at approximately \$6 000 an hour, if you look at the distance out and back and all the calculations that go into looking at the viability of helicopter logging. That is something we are going to have to explore. How many of us would still have a suite of customers with that sort of regime? We have to look at this in terms of where we can get timber. Can we have a situation where the classification of land is a land-use status where a very light touch of harvesting can be permitted? At the moment we are looking at a suite of changes that prevent any harvesting from areas where we can sustainably have a harvest of these beautiful timbers indefinitely. The actual impact of this has to be understood because our industry is on the chopping block.

**Mr VALENTINE** - Do you have a position on the Forest Practices Code, as to whether it needs review or not?

**Mr HARRISS** - I personally do, inasmuch as I think it is a very good thing.

**Mr VALENTINE** - To review it?

**Mr HARRIS** - No, we have the Forest Practices Code and it's internationally regarded as a very good system. I think there need to be some reviews because of the way it takes a certain view which perhaps overmanages the forest in a certain direction.

**Mr VALENTINE** - So you're saying we should loosen it up rather than tightening it up?

**Mr HARRIS** - In some examples, say for a lot of our special timbers, the streamside reserve is there for a very good reason. If you're looking at, say, clearfell-burn-and-sow, you don't want to have that going right down to the river's edge. That is a very valid thing in that circumstance. When you look at, say, a system for special timbers where you might be a doing single-stem selection and a very small quantity across a wide area, perhaps you need to say that we can identify a tree there and it is something that is of such value and significance, possibly, that if that was felled as a single stem and perhaps even milled on site with a chainsaw-driven sled cutter or something and manually carried out, you might say, 'Well that is not an inappropriate activity'.

**Mr VALENTINE** - Even though they are old methods.

**Mr HARRISS** - Well, yes. You could say that, in that sense, we can see why the Forest Practices Code is there. But if we approach this whole thing from the other way round and say, 'How can we best provide for an iconic special timbers industry?', you might say, 'Well, there you go'.

I have got a photograph of a Huon pine on the back of a low loader that is a big tree, about 15 cubic metres in the one tree. That was fished out of the Weld River at the Weld Eddy. That was a log that had been in a flood. The flood waters actually undermined the river bank. It was a low tree; it fell into the river and was harvested. Under all of these arrangements, opportunities like that are completely denied to us.

The other thing a lot of people might not understand is that there has been a moratorium on the cutting of live Huon pine for more than 30 years. All our Huon pine comes from salvage but the Huon is a particular timber and it has properties that other timber does not have and that is that it does not rot or does not rot very quickly. It is very stable; it can lie on the ground in wet forest covered in moss for decades and you cut the end off it and you have got beautiful yellow Huon pine.

Most trees won't behave like that. There is a situation where you can manage Huon pine for salvage like that but for most other timbers, you can't. In blackheart sassafras, the black stain is actually a fungus and it is the first stage of rot. Sassafras deteriorates very quickly and so does myrtle. The idea that there is material lying on the forest floor that we can go in and drag out is a myth in respect to those timbers.

The other thing is that we need an ongoing supply of special timbers because everybody's requirements are different. Andrew's requirements for celery top are quite different to a wood turner's requirements. Often boat-builders like timber that is not completely dry, so being able to buy timber off the saw and use it when it is appropriate - like, as I understand it, you don't steam-bend bone dry planks, or you can, but in some circumstances it is better -

**Mr DENMAN** - If we have air-dried timber, we will generally soak it, depending on the thickness of the timber. I can just add to that quickly and also allude to one of the species that has not been discussed in this agreement as far as the specialty timbers sector goes. The original intent was to also include old growth eucalypt for the specialty timber sector. Now that has not been mentioned. We are talking about blackwood and the other non-eucalypt species.

I know that certainly in boat-building, we use old growth globulus - or blue gum - for keels and we do like to get it as green as green. We like to work on it in winter and we like it to be in the shape that pretty much it is going to be in the water when it is actually swollen up. Otherwise, that timber will move around so much that it has the power to strip keel bolts off, or to throw planking off. When we are working on it, if the weather is warm, we generally lower it down into a bed of wet sawdust for the day - up and down, up and down. It is a fair process but where is the old growth blue gum going to come from? We don't know.

**CHAIR** - Ivan?

**Mr DEAN** - Some of my questions have been asked. How much of our specialty timbers currently go out of the state?

**Mr DENMAN** - It depends on which report you read. The Farley report was estimating about 55 per cent but the majority of that is going to be blackwood.

**Mr DEAN** - If the 12 000 cubic metres is provided, about half of that would probably go out?

**Mr DENMAN** - You would be able to get clarification from Mr Farley on what is in his report but the estimate was around 55 per cent, and the majority of that is blackwood. If you were to speak with the speciality timber users - the non-blackwood species millers - you would be able to get a fairly accurate amount of what has been going out of the state. Certainly I know from talking to Roger Linnell that a lot of his celery top has been going out of the state.

**Mr DEAN** - Even if the 12 000 cubic metres is provided and the timber is there, is there any room there for growth for your industries at all?

**Mr DENMAN** - No. I don't think growth was really considered in this agreement. When the original statement of principles was signed, the government signed up to not allow any new players into the forest industry whilst this thing was going on. There was no-one allowed to come in to replace Gunns. It does not specifically say Gunns but it says no new players in the industry now. Is that in the special timber industry? We don't know. It is a pretty broad swath that they have carved through there so, no, I don't think there is. Until the demand study has been done we are not going to know but certainly if we want this to be an industry that grows, that provides economic benefits to the state, then we need to be able to make the decision about do we want it to grow. What sort of growth is it? Is it going to end up being like the abalone industry where we have a speciality timber craft licence or a quota? If we don't know how much we need and how much is available, we can't do this. We can't let the agreement go through like that.

**Mr DEAN** - Is this is going to create and cause pilfering of speciality timbers?

**Mr DENMAN** - Most definitely.

**Mr DEAN** - Have you addressed your mind to that?

**Mr DENMAN** - I have had some comments from some of the TSCA members who are of the firm belief that by making the resource more scarce it will increase the level of poaching and non-certified timber in the market. Obviously if we do get some level of certification beyond the chain of custody that is in place at the moment then we are going to have a real issue with illegal supply of timber. Obviously some people will just go and get it and I think we are probably driving some timber users in that direction, unfortunately.

**Mr DEAN** - It was occurring in a reasonably big way on the west coast about 12 or 14 years ago when police were policing it and it was creating a real concern then - Huon pine in particular. Now quite obviously one would expect it to grow.

**Mr DENMAN** - I have fielded inquiries where people ring me up and say, 'Are you interested in buying a few King Billy logs?'. 'Where did you get them from?'. 'Dad built a bridge in the bush 20 years ago and we buried these logs, you see, and now we've dug them up.' You don't want to go anywhere near it but it is quite common. We don't want to push people back into poaching. If the idea is to have enough timber for the industry to operate sustainably then we don't want people going into forests where they are not meant to go with a chainsaw and cut it down. That is doing exactly the thing that the environmentalists don't want us to do.

**Mr DEAN** - I think we did cover the area of private forests and how much speciality timbers you will get out of private forests or how much might be available through that area.

**Mr DENMAN** - George and I had discussions with Steve Whiteley specifically on this late last year, and it is negligible. There is a little bit of blackwood but no non-blackwood species and certainly no FSC-certified speciality timbers available at this stage on private land. I have personally been told otherwise by Kim Booth that there is plenty of timber -

**Mr DEAN** - I think it was Kim who raised it with me.

**Mr DENMAN** - I have an e-mail from him to the effect that there is plenty of speciality timbers outside the 572 000 to supply your industry. He mentioned that he was sure that my customers, because I sell them Forest Stewardship Council-certified marine plywood from overseas, and my customers would probably like to know that I am using native forest species timber. It was a pretty barbed threat, though.

**Mr FARRELL** - In relation to the marine ply, you import it from Holland and -

**Mr DENMAN** - France.

**Mr FARRELL** - Yes. I don't know how much you would use in the building of your boats but is there a market in Australia for high-quality marine ply, being that you have to go so far to search out marine ply. Is there an opportunity for the Tasmanian timber industry to look at that?

**Mr DENMAN** - It comes down to species. There are essentially two plywood standards that we see in Australia. One is Australia/New Zealand standard 2272 and we currently have one major plywood manufacturer in Australia - Austral Plywood. Boral was the other manufacturer but when the Queensland floods hit a little while ago they lost their factory and decided not to continue. Believe or not, celery top pine is actually listed as an approved species under Australian standard 2272 to make marine plywood, as are a number of other species. The Engineering Wood Products Association allow people to apply for any other species that they consider to be appropriate and it can be approved.

The trouble with hoop pine, which is plantation resource that our plywood is made from, is that it has an average air dry density of about 650 kilograms per cubic metre, which is quite heavy as far as boat building goes. We use a species called okoume or gaboon. The logs are sourced from and the veneers peeled in West Africa and shipped to France for assembly in the plywood factory there. Gaboon normally has an air dry density of around 430 to 500 kilograms per cubic meter, so we are looking at a substantial weight saving on a large boat that might use a couple of hundred sheets of plywood. I found strong demand because it is a high-quality product in the market.

We have a lot of imports from South-East Asia and China that claim to be manufactured to the other plywood standard, which is BS 1088-2003, the British marine plywood standard. A lot of impostors but not very many high quality products. All around Australia we need probably two to three container loads a year of plywood. There is a demand there but it is whether or not we have the species here to be able to do it. The eucalypts are quite heavy.

**Ms FORREST** - George, you mentioned that you salvage Huon pine. Is salvaging considered harvesting?

**Mr HARRIS** - Officially, I could not really answer that.

**Mr JESSUP** - I would say it is a form of harvesting. I have seen the salvage operations on Teepookana Plateau near Strahan and, yes, it is harvesting. It is salvaging the resource which would otherwise eventually rot.

**Ms FORREST** - But if the whole purpose of this agreement is to stop the harvesting of trees and in a range of areas - not World Heritage areas, obviously, but other areas - it has not stopped any other activity except for harvesting trees, and harvesting as opposed to cutting down a few trees to build a road or whatever it might be. As I understood it, the salvage of Huon pine does not constitute harvesting because it is down and it is dead, then you can collect it.

**Mr JESSUP** - I guess that is a special case it really only applies to Teepookana Plateau or recovery from around Macquarie Harbour, which is flood-delivered material. I think the intention in the other areas is to exclude any removal of usable forest products.

**Ms FORREST** - On what basis is that intention understood? I have not heard that. I am wondering where you have heard that and where you base that. As I understand it, if a Huon pine tree is down and it is dead and it has floated up the river, then it is available.

**Mr JESSUP** - Sure, I agree with you on Huon but I think for other species -

**Ms FORREST** - I am not talking about other species, only Huon Pine because Huon Pine is the only one we cannot cut down now. You cannot cut down a living tree.

**Mr DENMAN** - It depends on your definition of harvesting. In the recovery of stump material, for example, you are still going to be using chainsaws and excavators to recover those. Is it a salvage or is it a harvest operation? If you have a stump that is there in the ground, I think it is getting down to semantics.

**Mr JESSUP** - Are you 'salvaging' wheat or 'harvesting' wheat.

**Ms FORREST** - We are not talking about wheat; we are talking about trees. Wheat grows much more quickly than trees,

You made a comment about increasing costs being an issue. I have talked to a number of people in the specialty timber area who believe we do not pay enough for this timber. It is 300 or 400 years or whatever for a celery top pine tree to grow so we should expect to pay a lot of money for that because it takes that long to grow. Their comment was that given cost they pay for the timber and the value-add they can do to it, increasing the cost of their raw product would not undermine their profitability very much at all because they are not paying enough. I think we are used to not paying enough for these iconic and special timbers and we should be prepared to pay more. I know there is a line where your customers might not pay but if they want that sort of timber - what do you say to that?

**Mr DENMAN** - I would probably ask you whether the people you have been speaking to are professionally involved in the industry -

**Ms FORREST** - Yes.

**Mr DENMAN** - and I would also ask what products they are making. If you're making Huon pine eggs -

**Ms FORREST** - No, I'm not talking about that, I'm talking about other -

**Mr DENMAN** - Are you talking about large quantities of timber?

**Ms FORREST** - Yes, large items. I don't know what you consider a large quantity but substantial amounts of production.

**Mr DENMAN** - As I have said before to Michael's question about pricing, there is a perception amongst some people, be they users or non-users, that the resource is precious and we should be paying more for it. But who should be paying more for it? Should the mills be paying more so that Forestry is getting more royalty, or is it the value-adder who should be paying more? There is quite a large price disparity between those two scenarios. Obviously I have a vested interest, as do these guys who are operating businesses, but when you look at other raw materials you are using in your business and look at the price comparison, I think we are paying more than a reasonable price for

timber at the moment, particularly seeing the large increases we have had over the last couple years since the agreement has come in.

If we were still paying \$10 a super foot for Huon pine I would say that it was undervalued, but when we are getting up close to some of the other species around the world like teak, which we are paying about \$30 a super foot for - teak is old-growth, slow growing - if we are on par with other timbers of similar species and growth rates in the world, I don't think we are paying too much for the timber, or not enough. It is obviously what value the people in society place on it. It's a bit like asking how long is a piece of string.

**Ms FORREST** - It needs to be really looked at, though, because where it grows annually you expect to pay less for an annual crop, but when it takes 300 to 400 years to grow a tree then we should be willing to pay for that if we want to harvest it.

**Mr DENMAN** - It depends on the management practices. If we look at eucalypts it takes 250 to 350 years for an old-growth eucalypt and the price per tonne for that is nothing compared to other timbers.

**Ms FORREST** - That's where it's wrong too; I absolutely agree with you.

**Mr DENMAN** - So why do we differentiate between species when it comes to that?

**Ms FORREST** - We shouldn't be. We don't pay enough for our timber anyway.

**Mr DENMAN** - How much does it actually cost, the actual cost of that timber to the next person in the line from the forest manager? It should be revolving around the cost of production. It is a production and resource issue. They can look at it and say, 'How much does it cost us to actually produce that timber for market?', and if we have a range of age profiles in particular species, that timber should be available across millennia, really, so why should the price be dictated just because something is old? Why should the price go up just because there is a perception amongst a few people?

**Ms FORREST** - Do you ever buy antiques?

**Mr DENMAN** - Again, someone could place a lot of value on, say, a 1960s Holden, but would I pay \$20 000 for an EH? No.

**Ms FORREST** - But somebody might, that's the whole point.

**Mr DENMAN** - It is all about perception and I don't think you can say that one person's perception is more right than another person's.

**Ms FORREST** - I am saying I think we should value these things more because of the time they take to grow.

**Mr DENMAN** - I think they are valued.

**Mr JESSUP** - I want to make a few comments about the price of timber. People talk about celery-top pine and some other timbers as having almost holy status and therefore being

worth huge amounts of money. Celery-top pine is a very variable tree and its value is really related to its quality, not its name. I have seen large amounts of celery-top pine as trees, as logs, and being milled, and there is huge variation. Some Andrew wants and can build boats from, some is good for posts, and some you might build a chook shed out of to keep the foxes out.

*Laughter.*

**Mr JESSUP** - Quality is about [inaudible], and don't forget that. The talk of all these mass areas of incredibly valuable things being burned generally is an exaggeration. Sometimes it happens but usually it is a much poorer grade that does not have a sale at the time.

**Ms FORREST** - We could debate this for quite a while. I think it was you, Andrew, who said people making decisions about special timber areas had no expertise in the area. We have been told by the signatories and others that in all areas they needed further advice because they were only experts, for want of a better word, in their own fields, so they sought the advice of FT and through the independent verification group there was a range of expert advice provided through that. I understand currently there is a lot of work going on in the special timber area with FT, particularly now that money has started to flow following the World Heritage nomination for listing. Do you still stand by the statement that there is no expertise around the table?

**Mr DENMAN** - I think there is probably too many vested interests around the table and lack of expertise. If the agreement doesn't go through Forestry Tasmania is obviously going to have a problem because it has been put on the public record that Ta Ann will go, which is FT's biggest customer. I think FT has a vested interest in providing the right answer to keep things going. Yes, they do have expertise in specialty timbers. They provided the signatories with initial modelling back in July 2011, but if they tried to lock up 572 000 hectares of timber they could only provide 6 700 cubic metres of specialty timbers.

There is the expert advice that has been ignored. We are hearing from a senior manager at Forestry and an ex-Forestry employee who is the expert in specialty timbers that the timber is not there. Are they listening to that advice? No, they are looking for advice that suits their cause.

**Ms FORREST** - Are they or aren't they? I don't know what work they are actually doing, but I understand all this work is going on now and will continue to since this \$2 million started flowing from the feds.

**Mr DENMAN** - Is it \$2 million or \$3 million?

**Ms FORREST** - I don't really care how much it is, but the reality is that the work is being done, that is what they are telling us. Are you suggesting that is not happening or that they are not using experts who should be doing the work?

**Mr DENMAN** - They are talking to the forest manager. The forest manager should be able to say at the push of a button how much specialty timbers are in the areas that have been put up to provide to our industry. Why are we looking at this at this late stage?

**Ms FORREST** - The signatories clearly identified in clause 9 that more work needed to be done and part of the agreement we are looking at here was that they would do that work, but that was contingent on funding flowing. Now the funding is flowing ahead of the agreement being ticked off on through legislation, so isn't that what was supposed to happen under the agreement - that it was recognised that there was a failing there?

**Mr DENMAN** - Firstly, if we go back to the basic principles here, the IGA said that the specialty timber figure would be verified and there was also reference - it's not in the IGA but in the mass of documentation - that no reserves would be formulated until the verification process was complete.

**Ms FORREST** - Which verification process are we talking about?

**Mr DENMAN** - We are verifying the amount of areas that have been put up for reserve as opposed to what timber supply was required by industry.

**Ms FORREST** - There are a couple of verification processes here, though, isn't there? There is the one that Jonathan West's group did and there is another one about the specialty timber.

**Mr DENMAN** - Jonathan West's group gave a commitment and he even gave me a personal commitment in writing that the specialty timber users would be consulted down to individual business level, that they would be asked how much timber they use by species and volume annually, and that would form part of the verification of the 12 500 cubic metres. I have his email here if you would like me to read it. Just bear with me one second. I can table it if you like. This is an email I received from Jonathan West on 21 November 2011 in response to an email to him discussing specialty timbers.

**Ms FORREST** - This is during the time he was undertaking this process?

**Mr DENMAN** - Yes, this is right at the very beginning, a couple of months after the IGA was signed. He says:

Hello Andrew,

The issue surrounding specialty timbers is certainly part of the IVG's work and will be included in the program led by Bob Smith, former CEO of New South Wales Forestry. Yes, industry participants will be asked how much timber they need. While not able to speak for either state or commonwealth governments, and I do understand there are many rumours abroad, the IGA does state explicitly that your industry's needs will be provided for at the level of 12 500 cubic metres per year or whatever amount is determined to be necessary.

Jonathan West.

I can table that if you like. There are some background emails on that one.

**CHAIR** - Thank you very much.

**Mr DENMAN** - In prompting that response I said:

Thanks for the reply, Jonathan.

When you state that the industry participants will be asked, this will need to be at a very broad level, as the majority of special timber users do not have an industry body or lobby group. Is this the intent?

He wrote back and said:

Yes, we do understand the difficulties of assessing your sector and will attempt to consult widely.

He gave me Bob Smith as the person who was going to be dealing with it. When I spoke to Bob Smith not long after that, and I can't remember the exact phrase he used, but he said, 'Andrew, speciality timbers aren't even on the radar in this discussion' - and that really frightened me. That is backed up by the fact they gave George, who was seconded to the IVG, to work for them as a consultant, 10 days to come up with a demand figure. I remember George ringing me, and saying, 'What am I going to do? Where do I get this information from?' and I said, 'It's simple. Let's write a letter to Bryan Green as the Resources minister and David O'Byrne as the Economic Development minister. The Economic Development guys should have their finger on their pulse as to the size of the sector and the Resources minister should have his finger on the pulse as to how much timber the industry needs, by species and volume'. They don't have it.

Here we have a commitment by the government-appointed head of the verification group to consult widely as per the statement of principles - to come and talk to individual users about how much timber they need - and it has never occurred. As I said to you last time I was here, if you look through the IVG report page on the federal environment minister's website - it will take 30 minutes - and if you do a PDF document search for 'special timbers' you will get through the majority of documents that talk about wood supply and timbers, that they will say there is not enough data on specialty timbers. Mark Bergman said, 'There isn't enough data on specialty timbers. We cannot include them in any of the wood resource scenarios'. That is a common theme through the whole issue. Bob Smith's socioeconomic report says there is further work to be done in the sector. There is going to be a demand report provided, but it doesn't say when. We still haven't got it. There are all these promises alluding to doing work on the specialty timber sector.

**Ms FORREST** - Which report are you talking about?

**Mr DENMAN** - That was in his socioeconomic impact report as part of the overall IVG report. It's readily available.

**Ms FORREST** - I assume that's what has led to clause 9?

**Mr DENMAN** - I think what's led to clause 9 is the fact that the industry and ENGO signatories have not been able to reach an agreement. They know the broader forestry industry, the eucalypt industry, needs an agreement. They need the money flowing to the contractors and we don't want to hold that up. I think there are a lot of businesses out

there hurting, but the specialty timber sector has been something that is too hard to resolve. If you believe their testimony that they've gone back and forth time and time again throughout the 18 months or whatever and they still can't resolve the issue, I have very little faith that clause 9 is going to resolve the issue. If you can't resolve it in 18 months of negotiations, how are you going to do it in another two or three years' time? The evidence has come through to the committee that it is a process they're going to be looking at over an indeterminate length of time. They are talking about maybe a year, or two years; some people are saying three years, depending on who you listen to. That is why at the moment we're getting this work done from Forestry Tasmania to say, 'Where's the timber?' Steve Whiteley said to us that he had tasked his foresters to go and see how much celery-top pine they could find to cut outside the reserve areas and there wasn't much; they are scratching to find anything.

I think the only reason we are talking about specialty timbers now is because a group of us have brought it to your attention and we have got some media attention. If we hadn't stuck our hand up, this whole thing would have gone through.

**Ms FORREST** - You said this requires amendment, but I am sure you are aware that the Legislative Council, and the government in Tasmania, has no capacity to influence the World Heritage listing.

**Mr DENMAN** - I understand that, but I also believe that if an amendment is proposed to withhold the specialty timber production areas from the original agreement - all those areas that have been put up as proposed reserves, if we take the specialty timber production areas out of that and suggest they go into tranche two reserves, after the work has been, that is going to send a statement.

**Ms FORREST** - Do we know where those areas are? That's part of the problem.

**Mr DENMAN** - Yes, we do. Forestry Tasmania has a resource map, which was provided with the special timbers strategy. A lot of that has been based on Mike Peterson's on-ground work but as Michael Wood said the other day there would still need to be some on-ground proofing done to confirm the resource age profiles.

**Ms FORREST** - You are saying that is known and the work has been done - the experts know where it is?

**Mr DENMAN** - Yes.

**Mr HARRIS** - Mike Peterson is waiting by the phone at the moment, and he is very willing and prepared to bring the information that he has in his head, that he took out the door when he retired a couple of years ago.

**Ms FORREST** - I am quite aware of that. I am also aware that Forestry Tasmania has got expertise that they are using internally.

**Mr DENMAN** - The anecdotal evidence that came from Michael Wood this week, when I spoke to him on the phone, was that the people doing that modelling are basically saying there is a real scarcity of specialty timbers in those areas. All we are asking -

**Ms FORREST** - This is what Mike is saying as well?

**Mr DENMAN** - Yes. All we are asking is for those areas that contain specialty timbers that are known to provide our industry with its supply, let us not reserve them now. We are not saying do not reserve them - let us not reserve them now, let us put them into tranche two, or wait until such time as the socio-economic impact study has been done, the industry demand study has been done and the mapping of the resource has been completed. Not just doing the high level, up in the sky, desktop audits, that have been done so far. We want to see boots on the ground.

**Ms FORREST** - Who is doing the industry demand study?

**Mr DENMAN** - We don't know. It is meant to have been contained in Bob Smith's socio-economic impact report.

**Ms FORREST** - In the IVG process?

**Mr DENMAN** - It has not been done. I suggest -

**Ms FORREST** - He is not doing it as part of his social and economic assessment now, is he?

**Mr DENMAN** - I can't answer that Ruth. You would have to ask him directly, but I did suggest -

**Ms FORREST** - We will be talking to the commonwealth on Wednesday.

**Mr DENMAN** - When the IGA was first signed, I had a meeting with David O'Byrne's office - with a couple of his senior staff there. I suggested that an industry-wide demand study would be of great benefit to the whole IVG and IGA process, because we did not know the numbers. I was told that would be a great idea and there is probably commonwealth funding under the verification process to do that, but that is about all.

**Mr HOWARD** - I am Craig Howard. I have been in the industry for 33 years. I am a fourth generation furniture maker and my son is fifth generation. We have been cutting up minor species - special species timbers - for the last probably 15 years to use in our business. I am finding it very difficult now to get enough quality log for the furniture we produce.

We produce furniture for all over Australia and also over the world. People are coming to me to, especially today, looking for Blackheart Sassafras and Myrtle. I put an order into Forestry Tasmania about 12 months ago and about two months ago we actually got it - 11 cubic metres of Blackheart Sassafras, in log form. Out of that Blackheart Sassafras you would probably only get 15 to 20 per cent of usable timber, so there is not a lot of timber there to put into furniture. We have a big contract to use Blackheart Sassafras - we are going to be exporting probably half a container to China this year and also overseas as well. If we can't get all this suitable timber we are going to lose that part of the market for our furniture.

We have invested heavily in our industry, for me and my son, over the last 30 years. We have got around a million dollars invested in raw materials, and updated machinery and

we want to go into other parts of the industry as well to keep the resource alive, and we are finding it very difficult to do that. My son came up with the idea, 'Just sell the bloody lot, Dad, and get out'.

I can see that personally and I've said this on camera before - ten years and this industry is stuffed because of (1) the quality of the log; (2) the availability of the log; and (3) and I will keep coming back to this - the cost of the log. We still have to be very competitive out there in what we do. I am in a niche market but it still comes down, to a degree, to a price point. You get above that and people are going to go elsewhere, and that really concerns me.

Locking up more forests, they are saying 12 500 cubic metres. Well they are not going to get all that. Also, out of that area we still need to be able to get that amount of quality material and we can't see it.

**Mr DENMAN** - Following up on that, quality is an issue. After the 2005 CFA reductions we saw not only a drop from the 23 000 cubic metres of speciality timbers but also a commensurate drop in the quality previously available, and we will probably see the same again.

**Mr GAFFNEY** - You said you sent half a container or a container to China of mainly blackheart sassafras?

**Mr HOWARD** - Yes, all specialty.

**Mr GAFFNEY** - So, it is just timber?

**Mr HOWARD** - No, product.

**Mr GAFFNEY** - What sort of product?

**Mr HOWARD** - Furniture.

**Mr GAFFNEY** - Because you are finding it difficult to get through forestry, do you acquire much from the private sector?

**Mr HOWARD** - No, because I am involved in a chain of custody and it is very difficult to do that.

**Mr GAFFNEY** - Is that potentially an area that could get easier? Is there a possibility of getting speciality timber from the private forests sector?

**Mr HOWARD** - I think people are going to steal timber, because of the dollar value, to increase their own wealth; that is going to happen. It happened years ago and now with the increased cost and also the availability of it I can see it happening again.

**Mr GAFFNEY** - Are approached by many private rollers about certain types of logs or trees they have that might be of use?

**Mr DENMAN** - It's not so much growers because, according to Forestry, there are no blackwood speciality timbers in private forests in Tasmania, but there are quite a few wood hookers out there and they ring and say, 'I've got a bit of timber here, would you be interested?'. Sometimes the price is very tempting but I would rather get it from mills. At least I can tell my clients that we have got it from a sustainable source.

**Mr HARRIS** - About 10 or 12 years ago we started to make progress on establishing a chain of custody system. Initially, that was to address the question of pilfering from state forests that seemed to be happening at that time. That is less of a problem now and, of course, the chain of custody system has embraced certification and I would encourage you to have a look at the website which is [www.chainofcustody.com.au](http://www.chainofcustody.com.au) and that is a system that we created. We decided to set up a not-for-profit organisation specifically to own and operate the chain of custody system by people in Tasmania rather than being dictated to by anyone else.

**Dr GOODWIN** - Craig, I guess you are probably in a similar situation to Andrew in that you have a pretty strong market that sounds like it is growing. You mentioned exporting to China and elsewhere overseas, but it comes back to this issue around supply.

**Mr HOWARD** - Yes.

**Dr GOODWIN** - I seem to recall that you might have been stockpiling as well for the same reasons of concern about supply. What sort of a supply do you have left to keep you going at the moment?

**Mr HOWARD** - We have enough to last us maybe two years but also that is going to be probably detrimental from a financial point of view as well, but it is my business. If I don't have the raw material and also raw material on hand I may lose on a job. That is the reason we get involved because we can cut it to the way that we want it cut. We have facilities for drying as well. Other people may go to a sawmill and buy their material and yes, it does cost you more but at least there is the availability at that point in time for an urgent job

**Dr GOODWIN** - Where is your main competition?

**Mr HOWARD** - There's not many really. Not in what we do.

**Dr GOODWIN** - Is it locally or on the mainland or -

**Mr HOWARD** - Yes, there are a few on the mainland and there are a couple up north. Here we are probably at the very top end of what we do. We do desks and bookcases worth \$20 000 and \$30 000 each and we are recognised for that. But it still comes down to price, and also you need quality material to put into that.

**Dr GOODWIN** - How important is it for your markets, and particularly overseas, that they are Tasmanian products? Is that a really strong selling point?

**Mr HOWARD** - One hundred per cent, otherwise what advantage do you have? We are recognised for the quality and distinctive material that we have and that is a selling point.

**Mr JESSUP** - That is really very important to the tourism industry. I know we have heard about problems on the west coast with the Wilderness Railway. If you took some of the Huon pine industry out of the west coast and also the products out of the galleries, the shops, the markets, I think Tasmania's tourism industry would be greatly depreciated.

**Mr DENMAN** - There are things like the wooden boat school in Franklin that is well renowned for what they do. They are 100 per cent dependent on access to specialty timbers. We have the design centre up north, we have a whole art industry that is based around this timber as well. What are they going to do if they cannot get it? There is a very large impact to this that is not being considered.

What is probably becoming clearer to all of you is that the specialty timber industry is not the eucalypt industry. We cannot be tarred with the same brush. We cannot be tarred with the broader forest industry name. The forest industry is in a downturn but we are certainly not. The forest industry has market issues overseas, but we don't, we have expanding markets. A eucalypt sawlog is pretty generic. Yes, there are a couple of different species contained within the Tas oak brand but it is pretty well generic. The harvest methods are the same so you can treat that industry with a broad brush. When you look at the specialty timber industry, we are different.

You have heard evidence today from a couple of specialty timber users, from people who have been selling the timber, that everyone's requirements are different and it is really hard. I do not envy you at all because it is really hard to try to get your head around this industry.

We have had industry representatives from the eucalypt sawlog and the ENGOs that have obviously struggled over the last few years to get their area. They are still asking for another two or three years to try to understand it. I don't think it's not understandable. I don't think the problems are insurmountable. I think it needs enough specialty timber people working to come up with a solution, and the solution is not locking up all those areas and starving us of our resource. The solution is to allow the experts, including people from the special timber area, to be able to come up with a plan that will allow a long-term, sustainable value-adding industry in Tasmania that we can all be proud of and our kids can be proud of. The way we are going at the moment, the way we are moving down this path, if this agreement goes through as it is, that is all going to be gone. As Craig said, in 10 years we are stuffed. I would say probably sooner.

I implore you all to please consider an amendment. If what the ENGOs and the signatories claim is correct and there is plenty of timber in those areas to support our industry, then they will be fully vindicated, come tranche 2. If, as what we suspect and what we see through some of the evidence that is coming out now that those areas do not contain enough specialty timbers for our industries, then obviously the smelly deal is starting to come to the surface. But I would implore you to please give us time for that evidence to come out and for the correct decision to be made, not only on supply but also on certification.

If possible we would like to propose an amendment that frees up all specialty timber areas out of it, until we have done the work and also request the signatories to amend clause 47 to include forest certification, forest stewardship council certification for all

specialty timber products coming out of Tasmania. I think it is quite clear that the intent is not to give us that and we will end up with a divided industry accordingly.

**Mr VALENTINE** - Did you say 'to include'?

**Mr DENMAN** - Yes. At the moment it does not. Thank you very much, all of you. I know it has been a long session and we all sincerely appreciate listening and the questions. If anyone would like to visit any of the workshops, or workplaces, or if you have any further questions, we are all readily available.

**CHAIR** - Thanks very much, gentlemen. We really appreciate that.

**THE WITNESSES WITHDREW.**

**Dr MARK NEYLAND AND Dr TIM WARDLAW WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.**

**CHAIR** - Our usual process is that notwithstanding we have your submission, we provide an opportunity for those who have made submissions to make some comments in regard to their submission, so you might like to go there from the start, please.

**Dr NEYLAND** - We would, thank you very much and thank you for the opportunity. First and foremost, I will point out that Tim and I are forest scientists. Both of us have worked in forest science for over 30 years and we are talking to you today as scientists. We are not politicians and we will stick very much to the science.

We are here today because we have some serious concerns. I have read a good number of your transcripts and I know that some of the concerns we are addressing are not news to you. We believe that there was complete lack of scientific rigour in the assessment process that led to the current reserve proposals. In particular, we believe that the IVG failed to undertake a scientifically rigorous assessment of either the claimed high conservation values or the claimed heritage values of the reserve proposals.

A very important cornerstone of the scientific method is the peer review process. When Tim and I draft scientific papers, we submit those to the editor of a journal. The editor of the journal then identifies a couple of people with sufficient expertise to review our work before the editor makes a decision as to whether or not to publish it. Despite various requests, none of the IVG reports has been subject to a peer review, which we think is a very significant flaw.

We think that the reserve proposal that has been put forward in the Tasmanian Forests Agreement 2012 assumes that nature conservation can be served well for a protection or production model wherein the large reserve system proposal meets all the state's conservation needs. I know again, from reading the transcripts, that this isn't news to you, and that other people have been concerned about this.

The current world conservation thinking is clearly opposed to this view and regards the best model as one where timber production is part of a larger landscape in which nature conservation and timber production co-occur in a complex mosaic. If we have the opportunity, Tim will address this point after I have finished our preamble.

We think it is equally important that there has been recognition in the process leading to this bill of the very significant investment by this state and the Commonwealth of Australia in what is regarded as one of the world's best forest practices systems. The manager of the Forest Practices Authority, Graham Wilkinson, is regularly called on by world authorities as a consultant, particularly in the Asia-Pacific Region, to advise them on how to improve their forest practices. Surely the system we have here is world's best practice and it has been largely disregarded in this process.

The current system is administered by an independent forest practices authority. It takes advice from specialists from throughout the state, and also nationally and internationally as appropriate, including advice from the Threatened Species Section at DPIPWE.

We strongly recommend that a sufficient state forest land base that allows for wood production and nature conservation to be managed simultaneously in a well-designed landscape is the better approach. This is in line with current world's best practice for sustainable wood supply and nature conservation. However, to do this would require completion of an integrated assessment of nature conservation and heritage values across all land tenures using a scientifically rigorous, transparent and repeatable process such as the one I worked on during the comprehensive regional assessment process that predated the recent forest agreement.

With the ability nowadays with GIS systems, this is a relatively simple process that can be done using existing information and anybody can peer review it, and can come along and look at it again. This process would serve to identify areas truly suitable for addition in the reserve system, whilst also identifying areas best managed extensively for both wood production and nature conservation. If we are all willing, I will pass to Tim.

**Dr WARDLAW** - I just have a paragraph to end. Our submission has highlighted the limitation of the TFA, ignoring the environment and only considering the economic and social dimensions of the forestry debate in Tasmania. It is ironic that we have ignored the environmental component, given that it has been very much in the hands of the ENGOs to put it forward for negotiation proposals.

We believe that the public expectations of what the agreement should deliver will be far higher than will be what is actually delivered. In particular, we are concerned that the reserve proposal, rather than improving outcomes for biodiversity, may diminish them, perhaps to the extent that in enacting the reservation proponent of the agreement, the commonwealth may be in breach of its own biodiversity legislation. I think in any recommendation coming from our submission to this inquiry, as well as the social and economic impact assessment of the proposal, the environmental impact assessment should be included as well.

We are prepared to answer questions, particularly on the nature of our submission.

**Mr HALL** - Thank you for your submission, gentlemen, and clearly the tenor of it goes to the fact that if this agreement is implemented, as it is at the moment, it actually has an adverse environmental outcome for the state. That is basically as I read it. If that is the case, that to me is a very sad outcome. In fact, it is what some other people are saying - the TCT, for example, and other environmental groups who actually have backed that up.

I know you said you are not politicians and that you are here as scientists, but your recommendation, at the end of your submission, in essence tells me quite bluntly that the process which has been gone through is wrong, and that perhaps some other assessment process should be undertaken. That being the case, should it be that we ought to go back, if possible, to the way it should have been done? What we have is what we have in front us, but the way it should have been done was to go through an RFA-type process where all those values were looked at. In fact, I think the RFA process was already up for review in a couple of years' time, anyway. That would have been on a far more rigorous and community-inclusive process than what has occurred. Your view? - being non-politicians, of course.

**Dr NEYLAND** - I am a scientist and I really need a whiteboard to talk. Do people really understand how the process failed to identify that the forests it concerned are not proven to be high-conservation value? Do people really understand that?

**Mrs TAYLOR** - The signatories agree that is the case. The ENGOs told us that is not the basis they did it on.

**Dr NEYLAND** - At the same time, when you read through transcripts they are inclined to point to the fact they are high-conservation-value forests. We see when they are listed in the various schedules it points to the fact that they are mature forest and it's nice, but it doesn't point to particular conservation values. Whereas, the process the land management has undertaken, when you look at the settings in which harvesting is done, a big part of that process is identifying particular conservation values and working the process between the land manager, the Forest Practices Authority and the Threatened Species Unit at DPIPW to identify how, where and when all the particular values within that landscape be managed, which often includes exclusion from harvesting such that 25 to 30 per cent of very planned coupe doesn't get harvested; it gets identified as reservation for some reason.

Tim's research of the last few years has unequivocally proven scientifically that management of that style of landscape, where you have wood production in a mosaic of formal and informal reservation, from a biodiversity perspective is a whole lot better model than one in which you say, 'We'll put the 500 000 hectares into the reserve system and beggar the rest'. There isn't anybody involved in that triumvirate between Forestry, FPA and DPIPW who would be satisfied with that model. That triumvirate will continue to work in the same way they have been working since the code was introduced in the early 1990s, which will inevitably lead to a very dynamic tension between the very tight headroom in wood production that has been pushed right down and the space in which you're trying to manage conservation values. There isn't a biologist in the state who would be happy with the model that has been presented to you.

Tim can talk at length on three years of intensive research with a good number of people working on some very significant reports.

**Ms RATTRAY** - Has that report been peer reviewed?

**Dr WARDLAW** - It has been peer reviewed by Forest and Wood Products Australia with internal peer review. There will be several papers during the process of writing that will go out. It is one of the first times globally that a whole-of-landscape strategy for forest management has been evaluated to test the way in which it delivers on biodiversity conservation. We're not talking about threatened species or particular species; we are talking about general biodiversity. We have looked at a broad range of groups - birds, plants and beetles - and at a large area - 112 000 hectares - and at a range of management intensities across that landscape to look at and compare the biodiversity in landscapes that are largely natural where there has been virtually no forestry activity, right through to landscapes fringing agricultural land where there has been a history of more than 100 years of European exploitation. Simon Grove was a collaborator and colleague in that study and he gave a two-page summary of that report in his submission.

I think the general community broadly have heard and may, through repetition, believe that cutting down the forest destroys its biodiversity. They equate forestry with forest destruction. That is the widely held view promoted by the ENGOs. The study we did looked at differing levels of forest management. Forest and Wood Products Australia commissioned the study because they were interested in asking: does the RFA work on delivering its expectations on biodiversity conservation? Can forests managed sustainably under the RFA sustain biodiversity? That is what we are essentially testing. If we look to the landscape, the landscape in the map is the Huon River estuary, a bit west of Geeveston going through to the World Heritage area. It is anchored to Warra. It draws a lot of what we understand about the biodiversity in that landscape, developed through studies done over a long period of time at Warra, so it exemplifies the benefits of having a place where we have been able to do long-term research involving many different disciplines in an interdisciplinary way.

That landscape covers great land-use intensity so we were able to compare the biodiversity value in areas that are largely untouched with the areas that were predominantly managed under the RFA to areas that were managed perhaps more intensively prior to the RFA coming in and the Forest Practices Code, particularly that part of the landscape very close to the Huon River where a lot of the early forestry was done at the turn of the twentieth century. From the 1900s through to the late 1950s was the first era of forestry in that landscape.

It is also a landscape that has had a long history of natural wildfires - the 1934 wildfire, the 1967 wildfire - so wildfire is very much a part of that landscape. We were able to look at the combined effect of European land use and natural disturbance across that landscape and measure the extent to which those interferences had affected biodiversity, and test the claim the ENGOs made that we have destroyed biodiversity with forestry activity.

That little table on page 2 is looking at the birds, plants and beetles. Just to give you an idea, we are not talking tropical rainforest here. There are only 44 species of birds that we looked at in that landscape, 100-odd species of plants, nearly 800 species of beetles and this was just flighted beetles. There are components of a landscape that are very biodiverse and it is often those little ones. This is one of the first studies that has actually looked at a broad range of the biota in drawing its conclusions on what is happening with the biodiversity. Very clearly when you look at the intermediate levels of disturbance - that is, parts of the landscape where forestry disturbance has largely been done at levels of intensity that the RFA and forest practices codes dictate - we could not detect a difference in the biodiversity in two things.

With the mature forest patches that were retained in that landscape, 30 to 50 years after harvesting the biodiversity in that regeneration we could not differentiate from the unlogged, pristine, mature forest in that landscape. So the claim that forestry has destroyed the biodiversity is just plain wrong. From that intermediate level of disturbance that forestry enables under the RFA, there is not a detectable consequence for the biodiversity.

**Mr HALL** - Thank you for that answer, and just to finish it off on that, in your view, if there is not a biologist in the state who would agree with this lock-up model, then clearly there is a very large problem we have here. I think you mentioned it before but could you

explain to me again, if this agreement goes through then we may in fact contravene federal environmental laws and I think it is the EPCB act? Would you like to expand on that, please?

**Dr WARDLAW** - Yes, and that is simply because the proposal isn't just about the reserves. The proposal is about forest management. It's about the whole landscape. This is about sustainably meeting our wood supply as well as our conservation objectives, and our conservation objectives aren't just the conservation objectives of what is happening in reserves, it's about what is happening outside the reserves as well and that's particularly relevant given the process by which the area selected for reservation has been gone through, that it isn't based on any conceived notion about protecting biodiversity across the whole forest landscape, it's just about protecting icons dear to the ENGOS that they've fought over for many, many decades. It's not based on conservation of biodiversity and in fact you have heard several witnesses reinforce that with the real conservation issues for biodiversity elsewhere in the landscape.

A lot of them are on private land but on public land what we have shown is that if you put increased areas into reserves and create an environment where there is a greater tension between production and conservation outcomes in the areas outside those reserves that are still available for wood production, then you either run the risk - without taking that into consideration - that you over-commit to the wood supply or if you take account of all new knowledge as it's acquired on the needs for forest conservation and apply it through the Forest Practices Code then you start to run out of headroom and you either sacrifice conservation outcomes or you start to sacrifice timber resource.

We are not saying that is the case but I'm saying that that hasn't been evaluated. The science that we have done and the results from that science weren't considered by the IVG, through no fault of theirs, I might say, because the results - and this was a study that was started in 2009 but was only completed late last year so that results and that science wasn't available. Had it been available, I'm not convinced it would have made much difference because of the approach that was taken in looking at the conservation outcomes of the proposal very much focused on what is the reserve rather than what is in the forest landscape. I think the critical point here is that this agreement isn't just about reserves; this agreement is about forest landscape and it's about the landscape outside the reserves that the results of our research very clearly say that if we are very careful, if we increase the intensity of management or in fact areas of the landscape where the previous management has been too intense and we have to look at restoring some elements of the landscape, some old-growth elements, unless that happens the overall biodiversity components of those parts of the landscape will decline.

That's 200 years of intensive forestry in Europe without taking those into account and they are now looking at restoring landscapes and if you look at some of the issues involved in restoring landscape to allow biodiversity to come back in and persist, it's a very expensive exercise. It's much better to make sure that the forest practices as done will sustain that biodiversity and we have shown that the RFA model of a few large reserves and an extensive network of informal reserves and well-designed and delivered forest practices restrictions is able to sustain the biodiversity in that part of the landscape where forestry is done to the extent that Bob Brown has said they are very happy to have those past logging areas put into reserves because it's recognised that they are recovering and they do recover.

That is essentially what sustainable forest management is about. We are basically coming in and imposing a disturbance which is, as much as possible, emulating what would happen naturally.

**Mr HALL** - That has clarified that matter.

**Dr NEYLAND** - It's worth adding at this point, in the same vein, if you adopted a protection versus production model, criterion 3 of the Australian Forestry Standard would be challenged, which is that the forest manager shall develop effective strategies to maintain and/or enhance biodiversity according to their requirements at different levels. So there is another tension developing.

**Ms RATTRAY** - Is this a federal act?

**Dr NEYLAND** - No, this is the Australian Forestry Standard, it is an independent standard, but forest managers in the state are currently accredited to that, independently audited and if they were found to be - a la clauses 52 to 54 - stretching the existing code and on the basis of Jim's work that stretching is seen to be detrimental to the biodiversity, if I were an independent auditor I would be asking some probing questions. It doesn't necessarily mean that you don't get your accreditation. The auditors will say that this is excellent or this is a bit average or this needs some attention. They have words at different levels. They could say, 'Hey guys, you've got to change,' which again bears tension and we all know there is a fair bit of tension already.

**Mr WILKINSON** - I should have asked the question of the people from FSC, but can I ask you the question? Does FSC accreditation take into account the biodiversity aspects that you have been talking about?

**Dr WARDLAW** - I am much more familiar with the Australian Forestry Standard. As Mark has said it certainly does, it's strongly evidence-based and there would be monitoring -

**Dr NEYLAND** - Is there a published standard FSC in Australia?

**Dr WARDLAW** - Not yet, no. The fair answer is to respectfully admit that I'm not familiar with the specific requirements and whether FSC specifically requires you to demonstrate that what you are doing is in fact sustaining biodiversity. I would be deeply appalled if it doesn't, because it would then be weaker than the Australian Forestry Standard.

**Mr WILKINSON** - Because they have a European Standard, as I understand it, and for the European Standard are you able to assess whether that takes into account the biodiversity aspects you have been speaking about?

**Dr NEYLAND** - The Australian Forestry Standard is, as far as I know, accredited under the PEFC standard.

**Mr WILKINSON** - And that takes into account the biodiversity as to whether you are accredited or otherwise?

**Dr NEYLAND** - Yes.

**Dr WARDLAW** - It requires that the management of the systems under which you operate be tested. I guess the reason for doing this, the RFA, as the chairman has said, is coming up for its 20-year review in 2016 and part of the process is to see whether it is working.

**Mr HALL** - It has had two reviews already.

**Dr WARDLAW** - They have ongoing five-year reviews. The whole agreement is reviewed over a 20-year life. This was an attempt under the [inaudible] to see whether it actually works.

**Mr WILKINSON** - That was the supplementary, thanks, I still think I have another question, but I will wait my turn.

**Dr GOODWIN** - In your submission you describe the bill as inherently flawed, so I take it from that that you don't think we can fix it through amendments -

**Dr NEYLAND** - It's a bit like the previous group in that we came in deliberately relaxed a little bit listening to the previous people. There is a sense that this is just being rammed through and we don't really know what we are achieving. We don't know what we have in the way of special species timbers in there and we don't know what we have in the way of nature conservation values. If you look at the long term, the debate has been going on since 1900 or thereabouts, to step back and say, 'Let's use all the tools we have at our fingertips, all the knowledge we have', there was a huge body of knowledge built up during the RFA that wasn't accessed for this process. We have mapped all the vegetation. We know where all the old-growth forests are and we know where all the disturbance is. To some extent, we know where the special timbers are. That is always such a variable feast that when you go in you don't always know what you'll get.

All of that can be just laid on the table - 'You have seen the GIS maps that come out, you just stack them up, okay'. Let us sit here and design a research system that captures the values we want to capture. That process does not need to take an eternity but I would say you would end up with some very similar lines to what you have now. There are definitely areas that everybody agrees are high-quality wilderness, great for nature conservation, not great for wood production. However, clearly captured in the present state are significant areas that aren't achieving great things for nature conservation but could achieve great things for wood production, as we keep saying, where you balance wood production and nature conservation values in the same landscape. Thus you ensure that the forest that is regrowing has the opportunity to develop in the same way as the forest that was growing there when we walked into Tasmania 200 years ago. Tim's work has demonstrated an ability to be able to do that. I don't think it is the end of the world if we were to say, 'Hang on, let's pause here'.

**Dr GOODWIN** - Back to the drawing board.

**Dr NEYLAND** - We don't have to go back to the drawing board. I am not a politician but I know that there are all these other factors at play but we have the information in front of us to be able to deliver.

**Dr GOODWIN** - The process you are talking about is science based and inclusive.

**Dr NEYLAND** - Yes.

**Dr GOODWIN** - You mentioned this common occurrence of conservation and timber production and there is a reference in your submission to that being the approach that current world conservation thinking accepts is the best approach. What is your evidence for that? When you refer to current world conservation thinking, what are you talking about?

**Dr NEYLAND** - I am talking about if you go to the leading scientific journals and look at the papers being produced by the world leaders in forest management thinking, the models and approaches to forest management they are presenting are saying that we are consumers of wood. This room is not a bad example of the fact that we are consumers of wood. As long as we are consumers of wood, we surely have a social responsibility to produce at least some share of our consumption rather than simply pillaging the South-East Asian and Pacific region which Australia is doing to the tune of about \$2 billion a year at the moment. Acknowledging that we are consumers of wood and that we need to produce a share, let us do it in the best possible way.

The papers being produced around the world at the moment are talking about retention forestry, such as you can see in front of you now with the Warra research trial where you are harvesting the landscape, retaining forests around the harvested area and within the harvested area. It absolutely drives Tim's point home that in that mosaic structure, all the birds, plants and animals have the opportunity to recolonise to harvested areas to regenerate within that forest landscape.

To wit, Professor Jerry Franklin, who is one of the world leaders, will be visiting Tasmania the week after next to look at some of the research currently going on here and cast his seal of approval or otherwise over that. We are very fortunate to have some recognition from around the planet that what is going on in Tasmania, and particularly the Warra trial, is world-class.

**Dr GOODWIN** - You mention also in your submission that we have here one of the world's best forest practices systems. How has that been recognised or who says that?

**Dr NEYLAND** - I think the people engaging Graham Wilkinson as a consultant are recognising that.

**Dr GOODWIN** - Yes.

**Dr NEYLAND** - There are various bodies around the globe looking for somebody with the expertise to help advise developing countries to develop first-stage forest practices codes such as we had here in 1995. Who better than somebody who has been through nearly 20 years of forest practices code work? Graham has been head now for a decade. It is as good as it gets and I think that is recognised globally. People look at that model. Nowadays you all go to each others' models and say, 'What elements can I pinch from that? That's a good line, I like that, how they are managing their tracks et cetera in there, that's great'. We are definitely world leaders.

**Dr WARDLAW** - I think that was also recognised in Harvard University's benchmarking forest practices systems around the world, and I am sure Graham would have mentioned that review. I cannot remember the author of it.

**Dr NEYLAND** - I can, it is attached to the submission.

**Dr WARDLAW** - It is McDermott, Cashore and Kanowski - 'Forest practice policies using Tasmania as a constant case'.

**Mr WILKINSON** - I have three questions, but I will ask one at a time, if I might, because they flow on from one another. Do you know of any forest scientist who suggests that what we have before us is good legislation?

**Dr WARDLAW** - There would be a lot of forest scientists and ecologists who will say, 'It's great to put things in reserve - renovation is great, the ultimate conservation', but there are forest scientists who are saying that we have a requirement for timber as well as conservation. But the notion of a black and white approach where you put a lot in reserve and -

**Mr MULDER** - Beggar the rest.

**Dr WARDLAW** - Well, you intensify your production in the remainder - they will say that is not sustainable forestry and it is a bad outcome.

**Mr WILKINSON** - If you had the situation where you had to take into account not only your scientific expertise but also social expertise and the knowledge that there has been conflict within the industry for some time now, how would you go about it?

**Dr WARDLAW** - I certainly would not start by getting the two extremes together and trying to find a middle ground and think that the rest of the 70 per cent who are happy for that to happen are going to be happy with the outcome. Kath Williams and Rebecca Ford at Melbourne University did a really interesting study down at Warra on the social aspects of forestry where they sought the perceptions of different sectors of the community in relation to different forest practices going from clear-felling right through to single tree selection and how different sectors of the community viewed those systems. Industry very clearly said, 'Clear-felling is great', the conservationists and the extreme end of the conservation sector said, 'But no logging is best', and the general community said, 'Well, we don't particularly like clear-felling, we recognise there is some but we would rather not see widespread clearfelling'.

They then looked at what effect information had. Again, it didn't change the views of industry or the views of the extreme end of environmentalists. They had their own views and nothing was going to change them. The wider community shifted its views when given information. I think that's what has been lacking out of here. A lot of the community's understanding of the debate is driven by what's available in the popular media, which focuses on the extreme.

The middle view that's trying to explain what is actually going on here to the wider populace - it is very difficult for it to find a voice. That doesn't mean we shouldn't try harder at finding a way to give it a voice. I think that is very important in places like

Warra. It is a future place where we could help inform the community about how forests work so that they can look at a forest and see it and they're not just thinking about what they see but getting a deeper understanding about what is happening in that forest. If you do this, this can happen. I think that has been one of the problems in this whole thing. If it's focused on two extreme views and getting an agreement that will keep the industry and environmentalists happy without considering the consequences for Tasmania in the long term of what we do with our forests. I think that's what we can do better.

What needs to be done to improve this agreement is to look into the consequences of this agreement to Tasmania's forests in the long term. I think that's where science needs to come in but we may find that the community says that they're not particularly happy for this agreement to quell the wars of the last 30 years if it means that a large slab of our forest is going to deteriorate and ultimately we're going to have a situation where we have a lower quality forest than when we started.

**Mr WILKINSON** - Do you believe there is any amendment that can be put into the legislation which would assist in what you're saying? Or alternatively, are you saying this seems to be a situation where it was a land grab of 500 000 hectares and then once they got the 500 000 hectares then look to see whether it has conservation value or not? Which way should we go? Should we start again and, in your view, is it salvageable by making an amendment? If so, what would that amendment be, or would you like to think about that?

**Dr WARDLAW** - I would like to think about that. I certainly think the whole public forests in question need to be considered in that agreement and not just what's happening in the reserves. A social and economic assessment needs to be expanded to include an environmental assessment and I think that environmental assessment, and the social and economic assessment, needs to be for the whole public forest, not just the reserve component. As a starting point, essentially this agreement is for the people of Tasmania. I am concerned that what they think they're getting they might not be getting.

**Ms RATTRAY** - Is that both sides?

**Dr WARDLAW** - Particularly the general populace in the middle listening to both sides trying to come to an agreement.

**Dr NEYLAND** - It definitely is both sides because the worst-case scenario is three years down the track, when we've locked up 500 000 hectares, we're now caught up in a debate about 'What next?'. We are recognising now that the intensity of wood production in that already intensively managed landscape isn't serving our nature conservation needs in that part of the landscape and we've had a code revision and things have tightened and we're not meeting our code requirements or wood production targets. That's where we are headed.

**Dr WARDLAW** - That's a concern, that it's an agreement for now and for the last 30 years and we can see a whole lot of problems it might create for the next 30 years in going down this track.

**Ms RATTRAY** - My question is along the lines that Greg asked in relation to the biodiversity or the commonwealth legislation and you covered that off. That made me

think about a response to a question last week that we are not here to deliver conservation outcomes - it's probably difficult. I heard from someone who spoke to us last week that the legislation or this agreement wasn't about delivering conservation outcomes. I guess you've just supported that by what you've said.

**Dr WARDLAW** - Yes, I would be surprised if the commonwealth government would be happy to commit to legislation that actually doesn't support [conservation outcomes], that does cause us to be in breach -.

**CHAIR** - I was actually going to go down that path and inform you that it was the federal minister who mentioned that.

**Ms RATTRAY** - I wasn't sure whether we were allowed to say that.

**CHAIR** - Yes, it was not an in camera meeting, it was a private meeting without the ENGOS. That was his comment.

**Dr WARDLAW** - That this is not about nature conservation?

**Ms RATTRAY** - He said: I am not here to deliver conservation outcomes'. I wrote it down.

**CHAIR** - That's for your information.

**Dr NEYLAND** - That's as we said, we're not politicians because there are all those other factors that come into play. We are just looking, we just stand here on our science and say: our science says that an intimate mosaic, where your wood production and your nature conservation being managed in the same landscape at the same time, is likely to be a better nature conservation outcome than that site.

**Dr WARDLAW** - In terms of World Heritage, there is a literature developing of repeating exactly what we are saying, for a broader range of land uses, not just forestry. Particularly places like Africa where they are starting to see that locking large areas up and excluding a whole range of human uses isn't achieving what it set out to achieve.

There is a whole social dimension that World Heritage nomination is not delivering and it's resulting in perverse outcomes and they are starting to recognise that the 'tread lightly widely' approach and allowing a broader variety of activities in the broader landscape is a better outcome overall.

**Mr WILKINSON** - If you speak about climate change, politicians will be saying it's not a science.

**Dr WARDLAW** - I think that's a whole other issue. I could go on for hours.

**CHAIR** - My question is: from what you have seen, is the Warra included in the World Heritage area listing nomination?

**Dr NEYLAND** - Of the silvicultural systems trial within the Warra Long-Term Ecological Research, 90 per cent is within the World Heritage area nomination.

**CHAIR** - What impact does that have on the continuing research then?

**Dr NEYLAND** - It will make it very difficult.

**Dr WARDLAW** - There are two aspects of that. A lot of the research at Warra, whilst it's on land administered by Parks and Wildlife in part and on land administered by Forestry Tasmania, the very great benefit of Warra has been the momentum driven by the land manager who is committed to long-term research.

Forestry Tasmania saw it needed to have evidence provided by science to back its claims of the long-term management way to manage its forests, so Forestry Tasmania committed to the long-term nature of Warra. The silvicultural systems trial - certainly in terms of this agreement - is a really important one because it's testing those systems that I think are the next generation systems for managing our wet forests.

Certainly systems of silviculture are really important for special species management but Warra is more than that. We have had a lot of investment in other infrastructure at Warra. We have six, seven icon studies there and we are just about to install a carbon flux tower down there too, which is an 80-metre tower down at the end of Manuka Road with a terrific view of the south-west and east, and that will be a critical bit of infrastructure for understanding how our forests are responding to climate conditions and climate change, particularly what our wet eucalypt forests are going to be doing in the future with changing climates. What sort of weather events do they like, what sort don't they like and are we going to see more of the weather events that they don't like in the future, so we can start to understand the consequence of climate change on our tall wet eucalypt forests. There is an enormous value for Warra into the future, not just in forest management or as forest management's main driver, but general wet forest ecology.

I guess the principal reason why Forestry Tasmania have been the dominant driver is that it is understanding forest ecology so it can inform our management. There is really nothing management can do to a lot of the wet forests in reserves if you can't go in with machinery or saws. The only way you can manage those forests is let nature take its course. It is really understanding what is happening with wildfires. The sponsorship of Forestry Tasmania in driving a lot of the research momentum to date at Warra isn't necessarily going to transfer across to another agency that's administering a world heritage area because they will have different management objectives. My concern is that a lot of those studies, if they were to move from state forests, may not continue.

**CHAIR** - So what span of time are we talking about since the establishment of Warra? There is a body of knowledge being built up as a result of that.

**Dr NEYLAND** - 1995. In fact Evan Rolley had visions for Warra in the early 1990s. The sites were fired in 1995 and silviculture systems trialled and established from 1998, so you have 17 years of research there now, hundreds of papers have come out of it and there are a goodly number of projects still active in running the site. It is now right up there on the list of world long-term ecological research sites. There is the HJ Andrews site on the Pacific Northwest of the US and there is Warra. There are others around the world, but they are the two that have had long-term support from agencies prepared to put in the money and the time and have had people who have had vision to drive the research. It is right up there in the world as one of the high-end long-term research sites.

**Mr DEAN** - It has been said that you really cannot have this agreement without it having an impact on the private forests as well. Do you have any comment as to where private forests fit into this? Should they be part of the whole thing?

**Dr NEYLAND** - If you were doing a full statewide assessment of where you were going to address your nature conservation needs, it is pretty well recognised - and I know you have heard a number of times during the course of these hearings - that some of the most highly recognised nature conservation issues are on private land. The impact of agriculture in eastern Tasmania has reduced the extent of a large number of forest and woodland communities that are on the drier eastern Tasmania, compared to the very well reserved western Tasmania - grass plains, inland peppermint and then the swift parrot, the masked owl and the plankton animals that live in those environments are at a lower ebb than the plants and animals that live in the wet forests, the rainforests and the grass plains that are really well represented in the reserve system.

If you were seriously doing a where are we going to get our best value for our nature conservation dollar type assessment, you would have to look at the whole of the state.

**Mr DEAN** - Are there any other examples around the world where this TFA-similar agreement has operated and what has come from it? There are in Canada where it hasn't worked. The locking up of reserves for conservation values has not been the best option when timber production is necessary and when timber is required.

**Dr WARDLAW** - Simon Grove was a witness before us and I will repeat his answer regarding the south-east Queensland forest agreement, which was an agreement done in place of an RFA. The literature reviewing the outcomes of that came to the conclusion that we are repeating today - this is from a biodiversity conservation perspective and that agreement delivered perverse outcomes, much the same as we are predicting.

In terms of stopping the forest wars we had that recent example in the boreal forest where Greenpeace have decided they are not going to be bound by that and they are not going to support it. There are a whole lot of groups that haven't been included in this agreement. Basically, we are satisfying the organised ENGOs and the forest industry; they are the ones that will be happy to sign off on this. It hasn't been happening. We have heard that some environmentalists are still not going to be happy and I am concerned that if we go ahead with it and we start to look at what is happening outside the reserves, I might not be happy, not if we are forced into the space where we have those tensions and we are compromising other values to provide a wood supply with no room to move. I have been working in the forest for 30 years and in doing that if my actions led to a deterioration in the values of those forests passed onto the next generation it wouldn't be a good feeling at the end point of my career.

Forest managers have a custodial responsibility to pass on forests to the next generation for them to be able to get value from them, but I don't think this does it.

**Mr DEAN** - You referred to the intensification of logging being necessary from the smaller areas that will be available for timber. We are told that will necessitate cable logging of areas that would probably never have been cable logged, and the clear-felling of some of those areas as well with a view to getting the amount of timber necessary to meet the

137 000 cubic metres. Once again, that can only have a detrimental conservation impact, I would have thought.

**Dr WARDLAW** - From a study we did, clear-felled coupes are not necessarily bad for conservation; the important thing for conservation is the landscape. It is not just the clear-felled coupes it is what is surrounding that, so making sure you have enough retention, making sure that retention has the opportunity to get to old age. A healthy landscape from a biodiversity perspective is a landscape much the same as a human society that covers a spectrum of age classes. It is not all going to be mature, it is has got that spectrum and that is how a healthy forest ecosystem will perpetuate itself. You have some wise old trees to pass on their wisdom to the next generation and you have the youth and vigour of the next generation to become future old trees. It is important to have that mix and have the capacity to retain sufficient forest in that landscape to have enough mature to pass on its wisdom for the next generation.

**Mr DEAN** - Have you had any discussion with any of the conservation groups that were around that round table and others?

**Dr WARDLAW** - As part of this?

**Mr DEAN** - Yes.

**Dr WARDLAW** - We invited the ENGOs to Warra - Simon Grove. He and Sue Baker, who have both been witnesses, took them to Warra a couple of years ago. I haven't spoken with them prior to coming here or during this whole TFA process.

**Mr GAFFNEY** - I notice you thought this agreement should be science-based. The RFA agreement in 1998, only 14 years, ago, was presented to us as a science-based approach to land management. Then it was also heard from people involved there that it didn't really work in so much that we have had a demise of the logging industry, or that part forestry, and the ENGOs are becoming more militant and affecting our marketplace around the world, which meant our industry was suffering. On one hand that was a science-based assessment of what should happen for the next 30 to 40 years and here we are 14 years down the track and that approach didn't work. If that is our recent history, why would you suggest we need to go back or perhaps reintroduce a science-based approach when that didn't seem to have a great deal of success in today's changing climate?

You mentioned it was world's best practice, and I think a lot of people in this space say it is, even though we are nailed across the world. Following from your premise that if we are going to do this properly we would have to look at what we've done, does that mean in the best world that you take the 44 per cent of the state that's already locked up, that other pressure groups say you would take that off the board and start again? There are obviously areas in that 44 per cent that don't have high conservation, that would be better managed, that would have speciality timbers. I see that's the ideal world but there's no way that is going to happen, I believe, in the current climate. Even though that could be the best way from a science base, it is not going to happen.

It wasn't working on the RFA science-based side in 1998 and we are not going to be able to take the 44 per cent off the table, so what would you do? You said you wouldn't have

to start from scratch but I am interested to know what you see as the time frame and how that process would work. How would you get the science community to agree to the outcomes you think are best delivered?

**Dr NEYLAND** - It is a very good question because it crashes politics straight into science and that is what this whole process is all about. The scientists like to do it all in a rational manner but this is largely driven by emotion. That is the conflict in front of us. For a lot of people, the shot on the news, the front page of the paper of a smouldering clear-fell coupe is anathema; they just don't like it. Clear-felling has been mentioned a number of times and it is really in your face, but for those of us who crawled on our hands and knees around clear-felled coupes looking at the plants coming up for years, as I have done at Warra as part of my doctorate, it is an amazing thing. Eucalypt forests are born in fire. When you burn the forest, lo and behold all the plants germinate. They have done it millions of times and they keep doing it.

We acknowledge it is emotive and hard to take when you see that clear-fell coupe and smoke coming up. Those of us who are scientists who have studied these things for years go, 'Get the right seed on that coupe the day after you burn it and our quality standard specifies you must do it within three weeks, get the seed onto that freshly burnt ground, and all the understorey plants come up. Tim's research has shown that the birds will re-colonise, the plants come back, the beetles come back. Leave it alone long enough and Bob Brown will tell you that it is great forest. We understand all of that process and we think, 'Yes, clear-felling has a place'. We do lots of partial harvesting in Tasmania in the dryer forests; in the higher forests we do not do clear-felling. We do partial harvesting in a variety of shapes and forms. We design our silvicultural systems to suit the forest that is in front of us.

Somebody mentioned single-stick selection earlier. At Warra we trialled it; if the state had an inexhaustible pot of money we could do that. We can do group selection where we take in small patches of forests in our special timber zones forever and a day because we have shown, again within the Warra long-term site, we have a study and we can just add that.

**Ms FORREST** - But then charge a lot more for our product.

**Dr NEYLAND** - You would need to charge a lot more for a product but where you have, as George mentioned, in that landscape at the moment some roaded special timbers areas, you can go into those areas now because the roads were built by the larger coupes but they access areas that are rich in special species timber. You can go into those areas now at lower cost than roading new areas to access your special timbers and apply the appropriate silvicultural systems that could generate both the eucalypts and the special species timbers. So the boring old scientist can do his paint-by-numbers and he can say, 'We've mapped the state into 50 different forest types', as was done from the RFA, so how do they sit in the landscape? How is the reservation of those forest types represented in the reserve system? What is missing? What the RFA did was add 400 000 hectares that brought each of those communities up. What it didn't do was capture some of the areas that the ENGOs like. They are beautiful areas, no question about it; some of them have great values. I take my hat off to them; they are doing a great job. There is the politics and the science clashing.

With the science now, if you were to say, 'Right, we'll just toss that agreement out; we'll go back', obviously you do not re-open the 44 per cent. That is one of the things we all acknowledge. Once the areas go into the reserve system, it is very difficult. I know an act of parliament can do it but has there been an act of parliament? We will take that 200 000 hectares out of the world heritage area and turn it over to eucalypt production. I have never heard of it. You would not do that but you would take all the information that you have about vegetation, plants and animals and you would design your reserve system taking that information into account. I believe it could be done in less than two years.

**Dr WARDLAW** - This is a really big issue of what role science should play in public policy. It is not just forestry; we have just seen it in fishing and the *Margiris*. There is a need in the public for what they see as an independent umpire that can tell the public about the consequences of this decision or that decision. I do not think in this process there has been a place that the public can look to to say, 'Well, what's the consequence of doing this?'. The public will say, 'We know the intent of this is to satisfy the industry and the environmentalists so they can co-exist'. But what it has not told the public is, 'Well, what's the consequence of that peaceful relationship?', and there is a cost to that. While science is not part of the decision, science can inform the consequences of that decision. It is for the general public to say, 'That price is too high to get that agreement; we have to look at a different model'. The agreement is not going to be based on science but science can at least inform the wider community of the consequence of going down that path.

**Mr GAFFNEY** - It is interesting that we have got 44 per cent of the state locked up. Of that 44 per cent there would be a certain area that would have very little high conservation value, and we have acknowledged that. We are now locking up 500 000 hectares, another 8 per cent or whatever it is, and it seems to me that there could be a way out - if the environment movement want 50 per cent surely there could be process of looking at what is already locked away and seeing what values, or what biodiversity assets are there, and then seeing how much of that is repeated elsewhere in the state. I think that there could be a way forward, if there was some guarantee that it could be done within a shorter time frame.

We are faced with this Damocles sword regarding what is in front of us at the moment, but a more mature conversation could be that very thing. Let's say, 'Why did we lock away what could really support our forests, and our timber industry?', and then, 'What else would be better for biodiversity?'. This group has been at the table for the last 18 months to two years trying to come up with an agreement, and they have all said that they do not think it is the best loaf that they have come up with, but each of them has a slice in it, I suppose.

**CHAIR** - Okay, I think we are about done. You might want to make a quick response to that.

**Dr WARDLAW** - No, I think I have said what some have said before. I am glad it is you that has the responsibility and not me. I think it is a really tough one. You really are on the edge of a locomotive that has been pushing and pushing and pushing.

**Ms RATTRAY** - There is a movie about that runaway train.

**CHAIR** - Gentlemen, thank you very much for your submission and your presentation today.  
For members' information, we will proceed straight on to hearing evidence from Dr Amos.

**THE WITNESSES WITHDREW.**

**Mr BARRY LLOYD CHIPMAN, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.**

**CHAIR** - In terms of an introduction, Barry, you might like to make some comments. The committee thought it reasonable to invite you to appear because of your longstanding involvement in a number of agreements that have been negotiated in the past, and as a representative of the industry over a longer period of time.

**Mr CHIPMAN** - My involvement in the forest industry commenced when I left school in 1969 and became involved in an advocacy role, endeavouring to give a voice to the community that depends upon the forest industry.

The first experience of politics being introduced into forest management was the Helsham Inquiry by Graham Richardson. If anyone hasn't read Richo's memoirs, whatever it takes, they really should. It is an interesting read.

With that came the RFA process, which was introduced by the ALP federal government. I remember at the time I was in parliament and Paul Keating said, 'This will be the mother of all inquiries to provide the last chapter in the book of forest inquiries'. Then we had a couple of extensions made during the previous Labor/Green accord and then there was the Community Forest Agreement under the Howard government. What is happening now has gone back to just drawing circles on maps, which is what Graham Richardson did.

I would argue very strongly that the RFA and the Community Forest Agreement were processes that were laid out, and which involved the whole of the community and they were built on what was the National Forest Policy Statement.

The National Forest Policy Statement came into being after the Graham Richardson/Helsham inquiry. There was a push by ex-Tasmanian senator Nick Sherry, and Bob Collins, that there had to be a better process for forest management. Coming out of that was the RAC report, which then developed into the National Forest Policy Statement. That statement still stands today. It was introduced by a federal ALP government, accepted unchanged by the Howard Coalition government and that National Forest Policy Statement was the basis for the RFA.

That is what I was going to touch on - the process that was the RFA compared with what is happening now - and I would not call it a process because there isn't a process. Do you want me to expand on that?

**CHAIR** - Yes, indeed.

**Mr CHIPMAN** - The National Forest Policy Statement, back in the early 1990s, was a document that had about two years in the making. Every step along the way there was stakeholder involvement, and that stakeholder was anyone in the Australian community and the international community that wanted to contribute to the process.

Out of that came the National Forest Policy Statement, as I said, and then came the questions - 'How are we going to reserve forests, how are we going to identify what that

forest is, and what are those forests going to be measured against?'. The Janus criteria for old growth was developed. It defined what old growth forest was, so there was no argument. Then there was biodiversity. It defined what was biodiversity and it defined wilderness and it gave criteria for those three values. It also then went about identifying a comprehensive and adequate reserve system, and set the targets for those reserves.

There was a lot of argument about how much biodiversity there should be, and should it be on a whole of state region, or a bioregion. The Forest Protection Society, as we were at the time, was very much involved in that argument and debate, writing submissions and so forth.

Out of that came 15 per cent of biodiversity as a reserve target. What is interesting against that 15 per cent - the Worldwide Fund for Nature and the World Bank at the Earth Summit in Rio some 10 years ago set a target for forest reservation in countries throughout the world of 10 per cent. Tassie already had 10 per cent in reserve but the target was 15 per cent and Tasmania has exceeded that.

For old growth, it was determined 60 per cent was the target for old growth forests. These were non-mandatory targets. What had to be taken into account were social and economic considerations. At the time that was set, Tasmania already exceeded the extent of reservation for old growth forest. For high quality wilderness, it was 90 per cent.

Interestingly, they were the three criteria, and they were the catchcries of the environmental movement - wilderness and old growth forest. There was no mention of high conservation value forest - that catchcry was yet to come. The development of the Janus criteria - again that was 18 months, close to two years in the making - was open to public comment. There were about three drafts along the way and each time a draft was put out to the public for comment and also to the science community - not just within Australia but internationally. This became agreed and accepted criteria for the reservation of those three values.

That became the basis for the RFA. The RFA came about after - the committee members may remember the log truck blockade of federal parliament back in 1995. That's when Paul Keating said, 'We're going to have an inquiry to end all this, and it will be the last chapter in the inquiries'. The RFA came about and Tasmania was the last to sign up to the RFA process. We had an Interim Forest Agreement and it was Premier Ray Groom who signed up; I think Paul Keating was the Prime Minister at the time. Again, it was signed up and agreed that the National Forest Policy Statement would underpin the RFA. One of the first things that was done was that a scoping agreement was prepared which laid out the time frame and what the RFA would look at. It set the rules, if you like, that are still based on the National Forest Policy Statement and the JANUS criteria. Again, there was public engagement.

In that scoping agreement, I remember, there were two drafts. So it wasn't just the bureaucracy and parliament deciding what the rules would be - and that was it. The rules were put out for public comment. It laid out again what would be looked at - private land, interim conservation agreements, and ecological sustainable forest management. It looked at the competitiveness and efficiency of the industry, indigenous issues, accreditation and, most importantly, the CARR, which is Comprehensive and Adequate

Representative Reserve System based on JANUS. It also looked at social and economic values.

It laid out time frames and milestones starting in 1996, and back then it said that this RFA would be finished in June 1997 - which it was. That was what the RFA was based on and it commenced. What I've brought is a small selection of the volumes that looked at environment and heritage reports; and there were five reports. Each report went out to public comment and at the back of each report there was a list. The first report was the one that went out for comment and then each report was amended and it listed the comments and submissions, written and verbal. The first one was November 1996; then there was volume 2, volume 3, volume 4 and volume 5. Then we had one other from an environmental point of view: Proposed Recommendations Report Part 1, Unresolved Recommended Areas for Protection.

What we had from the Helsham Inquiry and under David Llewellyn's Forest and Forest Industry Strategy were deferred forests. Those deferred forests were one of the first things that were looked at and studied under the RFA. So they are the reports on that. When it started to get to the business end - about what forests would be reserved - there were then reports looking at those actual forests that were reserved and those that may be reserved and there was a great heap of maps. There were also 1 to 25 000 maps done of each sector. I have at home probably one filing cabinet drawer full of maps.

These maps also listed endangered species habitat. From talking to people in Parks and Wildlife, out of the RFA came an enormous amount of data that was collected through the RFA - on wedge-tailed eagles, pardalotes and it got down to Mt Mangana stag beetles, too. At the time I can remember asking, 'What is a stag beetle?'. In all my years in the bush, I had never seen one.

*Laughter.*

I could have brought another four boxes of this sort of information. It was a process that was open to public comment and engagement. I know at the time our network was very much involved and became part of the process. It wasn't a process of exclusion; it was a process of everyone being involved who wanted to be involved. It was mentioned that the RFA had failed but I don't believe that the RFA failed at all. There were two shortcomings of the RFA. One 'mistake' was that it was about achieving a balance. The JANUS criteria were about a balance; it was about setting non-mandatory targets that had to look at the environmental values but at the same time balance that against the economic and social values. It was about achieving a balance. It was never ever going to lock up every bit of forest; that wasn't its intention. That was the first mistake because the environmental movement was about getting everything it wanted. I believe that is why they support this - because it gives them everything they want.

The other shortcoming of the RFA was, in hindsight, that it didn't afford the equal certainty that it afforded to national parks. Again, once an area becomes a national park an act of parliament may undo that, but I don't think any national park has ever been taken out of being a national park. Whenever we went into any of these processes, Timber Communities knew you had to lose. There is no way in the world we would argue that Beach Creek, the first Valley of the Giants, was a political boundary. There was 30 000 hectares and Richo wanted to turn it into 300 000 hectares. There is a lot of

Southern Forest that is political boundaries. We knew we could never get our national park back. It wasn't in the rules; it was always about, 'What can we get in return?'

A productive forest was identified through the RFA process and the community forest agreement process as forest suitable for sustainable forest management; it wasn't afforded the same certainty as a national park. What perhaps should have happened is that those forests should have been gazetted and secured by an act of parliament as productive forest. The environmental movement knew that during the RFA it could take whatever it could grab and then do it again tomorrow, which was the community forest agreement process. Now we have this - they know that state forest is there for the taking. Some of our folk have said that perhaps we ought to do the same for national parks and have them for the taking, but that's not what we are about.

The RFA has delivered a balanced outcome that provided for conservation values via the national forest policy statement and the JANUS criteria. We now hear of this new high conservation value forest. Again, there are criteria. If anyone wants to have a look at the old-growth that's reserved through the RFA, they can go to the criteria for old growth, measure it, assess it, get the scientists to have a look at both sides of the debate, and it will clearly state that area of forest meets that value, because there is a criterion.

I remember being on the 12th floor over the road from here in 2011, on a Thursday night before the ALP state conference in Launceston when the heads of agreement was signed. The Prime Minister said, in response to a question I had asked, that with high-conservation-value forest, the first thing that will occur after the heads of agreement is signed is that there will be a due diligence process where agreed and accepted criteria for high-conservation value will be set and determined. She went on to say that if forest is to be reserved people need to know that it is reserved for that particular value.

To the best of my knowledge I have never seen those criteria. Again, in my past job, we were engaged and made submissions several times to the development of the general criteria. The criteria for high-conservation-value forest I have never seen. It may have been done but I was involved in this process up to nine months ago and to this day I have never seen it. I cannot remember anything going out to public comment. Earlier in the piece Bill Kelty was engaged to provide a final report. He provided an interim report to government and then he was to provide a final report. I have never seen that and I don't know if any members of the Legislative Council have seen it.

We met with the independent group of scientists who were going to do the evaluation of the forests collectively at Salamanca in Jonathan West's office. The issue of social values was put forward and Professor Lockwood was going to be looking at that. Our Bruny Island branch had very strong attachments with the working forests of Bruny Island and our Meander branch with the Western Tiers. They were quite proud that the first tree was harvested for the *Endeavour* by a certain Captain Cook. It was asked whether the social values from a timber-getting point of view, a timber family point of view, would be taken into account and we were informed that it would be the environmental pride of place and social value that would be looked at.

When Tim was speaking a while ago he mentioned the social and economic report from this - well, I haven't seen one.

**Ms RATTRAY** - We believe it's on its way.

**Mr CHIPMAN** - I wonder who was spoken to, which is interesting, because decisions have been made and if there is a report, it hasn't been taken into account.

Our Bruny Island folk made a decision and I think they have shared that with members of the Legislative Council, but it was ignored because it wasn't from an environmental point of view.

**CHAIR** - That is a bit out of context - let us go to questions.

**Mr HALL** - Thanks, Barry, for that historical perspective you gave. You have been one of the few people who have really been involved from a community and an industry point of view for a long time. You really pointed out the stark difference between what occurred with the RFA process and what has happened with what we have - could I put it that way.

I will go to a couple of more specific questions. You talked about the Prime Minister, Julia Gillard, coming to a state conference over the road -

**Mr CHIPMAN** - It was the Thursday night before the ALP state conference, I can't remember - was it July 2011?

**CHAIR** - Craig will give us the dates later.

*Laughter.*

**Mr FARRELL** - It's not in my diary.

**Mr HALL** - Anecdotally, it was mentioned to me that the signatories at that time were provided with certain maps and certain details. That was on the Thursday but, anecdotally, two days later everything had changed. Do you have any recall of that?

**Mr CHIPMAN** - Yes, I do.

**Mr HALL** - That has been put to me by other people, not by you.

**Mr CHIPMAN** - We were given a private viewing of the heads of agreement; they were all counted and we all put our initials on each one and then they were handed back, which was fair enough. Naturally I haven't got one because I did hand mine back. When it was presented, as far as the timber communities at TCA endeavoured to represent it, it was in three parts. The first part was a fishing trip because it was all about trying to find a way to get the pulp mill. We thought, 'Well okay, let's just see what can come from that and if we can get a pulp mill what it will cost in resource', but it was a process we thought worthy.

Then it started to look like a runaway train that Sunday when this thing was signed on 7 August. Then it went off the rails. We naively thought that this just happened to be a process that could bring some balance but then we could see that certain senators and members of parliament - the Bob Browns and Christine Milnes and Nick McKims - had their way and changed this.

The volumes of wood that were to be guaranteed to the industry were to be legislated and that was an important thing on that Thursday night, that they would be legislated. It was getting a bit like where I said petty productive forests could be legislated so it was resource security. We thought this was a form of resource security because the volumes would be legislated and sovereign risk and so forth, and then if a future government wanted to interfere with that, there is legislation there. That was there on the Thursday and the Prime Minister and the Premier both spoke on that.

When we got this after the Sunday conference when it was released the legislation was gone, although they did leave it in one place. It says here 'the Tasmanian forest industry as a sustainable and guaranteed wood supply' - the word was legislated on the Thursday night. This is interesting because stream 2 is about protecting high-conservation-value forests and ensuring sustainable wood supply. On the Thursday night the opening heading to that was 'legislated sustainable timber supply, sustainable forest industry'. That subheading, if you like, had not been changed, but in the rest of it, where it had the words, 'at least' 155 000 cubic metres, I am sure a few sawmillers would like 155 000.

**Mr DEAN** - Yes, so they would.

**Mr CHIPMAN** - Ta Ann's was 12 500 cubic metres. That is right - Ta Ann's was 2 650 metres of wood. There were mistakes all through it. The word 'legislation' was removed.

**Mr HALL** - That was the crux of the matter - that it had changed between the Thursday and the Sunday.

**Mr CHIPMAN** - Yes, there were heaps of others. On that Thursday night one of the things that Vica Bayley from the Wilderness Society raised was that the federal government should move to not provide any further support for the development of the pulp mill and I remember Don Henry from the ACF told him to settle down. In the heads of agreement paragraph 4, subparagraph 42 says:

The commonwealth's position is that no commonwealth funds will be paid to progress the Bell Bay pulp mill.

On Thursday night this was in part about supporting the development of the pulp mill and showed no opposition to the pulp mill whatsoever. On Sunday it was now no commonwealth funds at all for the pulp mill.

**Mr HALL** - Whilst on that subject, Michael O'Connor from the CFMEU who was mentioned this morning, anecdotally was at a meeting in North Hobart when the subject of the pulp mill came up - it's been talked about quite often - and he very forcibly told the ENGOs that if there was no expletive pulp mill there was no expletive deal, and he said that a couple of times. If that is true, they are pretty hollow words from the CFMEU. Is that what happened?

**Mr CHIPMAN** - Yes. I will always remember that because at the time it was a very difficult process for us. It was the first part of that fishing trip and the environmentalists and all the signatories attended that meeting; all the senior people from the Wilderness Society was there and so forth. Mike O'Connor, in the only way Mike O'Connor can, put

expletives in the middle of expletives and he said about four or five times 'no effing pulp mill, no effing agreement'. We thought, 'That's fairly clear. This fishing trip is something we will continue with'. Our three goals was a pulp mill, peace in the forests and some form of certainty for timber folk. We thought that if a pulp mill happens, this fishing trip may just be worthwhile. At the end of the day it was still going to about the cost because our folk were never at any stage committed to accepting the end of the journey. We have now got to the end of the journey and the people I know from timber communities throughout Tasmania don't like the end of the journey, but it was always their right to say it was okay or not.

**Mr HALL** - On the subject of maps, Barry, it is my understanding that early in the process you were present when the original so-called HCV boundaries were defined. Would you like to comment on that?

**Mr CHIPMAN** - I remember it very well. TCA - myself and Jim Adams, our CEO - was called to witness. The map that was produced, to the best of my knowledge, was the map the Tasmanian Greens had as their campaign map for the past two state elections - I think it went back to 2006. It was only an A3-size map; it wasn't a 1:25 000 or anything. FT got that map and made it into a working 1:25 000 and it was clearly identified that there was plantation, regrowth forest, silviculture regrowth forest, coupes that had been harvested that hadn't been regenerated and all this was high conservation value.

The combined environmental groups accepted, for their argument to have some standing, that those areas should be taken out. We were asked to go up to FT and the senior FT people were shown it on the map. The people from the Wilderness Society were saying, 'Yes, okay,' and then all of a sudden Vica Bayley said, 'We're taking too much out, we'd better put some back in,' so a pencil was handed over and I witnessed the creation of high-conservation-value forest. It was, 'We'll have this piece here and this piece here,' with a pencil and a circle was drawn over a piece of state forest and I thought that was high-conservation-value forest in the creation.

That is why I said that this goes way back to Graham Richardson because I understand what happened to Richo in a certain cabinet room in Parliament House - with a Texta colour, I understand - that 30 000 hectares was turned into 300 000 by Richo going, 'That's it, down there, Hawkey.' I thought well, that's how it happened then and that's how it's happening now. That was designed to be processed.

**Mr GAFFNEY** - You said the three goals consisted of a pulp mill, peace in the forests and certainty of supply?

**Mr CHIPMAN** - Yes.

**Mr GAFFNEY** - How would the first two even work? Aren't they antagonistic as a goal, a pulp mill and peace in the forests? Isn't that just not achievable? How would the ENGOs or certain environmental groups ever say, 'Yes, we'll have peace in the forests, you can have a pulp mill'?

**Mr CHIPMAN** - At the beginning it was a fishing trip and when you go fishing you have no idea what you're going to catch. We had a lot of discussions about this and if it was, yes, the environment movement wanted these areas of forest reserves, whether they had

values or not. I suppose we were saying we wanted a pulp mill but we knew it would come at a cost. I suppose we were thinking that the environmental movement would say, 'We want this forest reserved but it will cost us,' as in the environmental movement. It is very clear now that for the environmental movement balance is not a word, but we were prepared to go on that journey just to see if it could be. Over my time there have been areas of forest that have been reserved. At the time we would argue that once it was reserved it was reserved, and that's where it was.

I will agree that we are dealing with what it says on one of their posters; I have one of them at home and I found it last night. It clearly says 'No compromise.' If everyone had that approach where would we be? Yes, in hindsight we were naïve and stupid to ever think that we may be able to just get an outcome that gave something to everyone that was a balance.

**Mr GAFFNEY** - Just following on from that, it is interesting you use the term 'no compromise' from the environmental groups because I have to place on the table again that there has been quite a lot of compromise from environmental groups over this, whether its logging in native forests of coming down from 600 000 to 500 000. Whilst everyone says you have extreme dysfunction at some ends of the environmental movement, I've heard over the last so many weeks we have been here that there is also not total agreement within the timber industry as well about what their goals are. We have heard of some sawmillers that want the agreement to go ahead. We have heard from representatives of the timber industry who want it to go ahead and we have heard from other groups from the special timbers who don't want it to go ahead.

Whilst the media focus on the extreme groups in the wilderness or environmental groups, we have to say it is not all a collective 'yes, we are one forest and timber industry' either. There is a lot of dissention within that group. When you say 'compromise', all of these groups are trying to compromise to come to what they believe is a way forward. Where do you see this going as a way forward with the legislation? Do you believe that there is a compromise still to continue with or, in your experience, what do you do because you have been through a lot of these processes before in your career so you can see where this could be heading or whatever? Where do you believe this will take you?

**Mr CHIPMAN** - Again, the people - and I'm still involved with many people, and I am still a member of TCA - say that it has always been about achieving a balance. What is the correct balance and with forests, people have said it's a war, but it's not a war - people lose their lives in war - it's a clash of values. I have had a chat with - and I get on well with him - from the ACF and we both agreed that this is about values, which is no different to a Saturday afternoon - poor misfortune of Collingwood supporters over value.

**Mr GAFFNEY** - Well put, Barry.

**Mr CHIPMAN** - Great Sydney Swans supporters have their values. On Saturday afternoon those values are sorted out. Politically, every three years we have an election and there are values but what happens is when those clashes of values take place, if you like, and there is an outcome, we all accept the outcome and we get on until the next footy season or the next three years until elections and that's where it has got very frustrating for timber folk because we have had these clashes of values that have come to the footy

match, if you like. The RFA and again the Prime Minister of the day said this will be the mother of all inquiries to end all, it will be the final chapter in the book of inquiries into Australia's forests. That's the Prime Minister saying that and you can't get anyone more - to say that and we went through the RFA process.

The environmental movement called it 'rape, fraud and arson' because it didn't give them everything they wanted, because it was never going to give them everything they wanted. It didn't give us everything we wanted. It was about a balance and right at the front the rules for the thing talked about a balance. It talked about non-mandatory targets. It didn't talk about locking everything up. If you like, they were the rules and if you are going to play the game and you know the rules upfront, you accept the rules. We accepted the rules because what was reserved we didn't go and campaign to get those reserves undone. The Valley of the Giants and Beech Creek - we have accepted it and, yes, it's now national park. Then you get certain sections of the environmental movement who saw it as just another step along the way.

The difficulty with this and what has put an extremely bad taste in the [mouths of] people that I am involved with is that they are still looking for the criteria that determine what is high-conservation-value forest, and what makes that even a bit more difficult is that the Forest Stewardship Council has been advocated as the only certification for Australia's forests even though we have an Australian Forestry Standard that is accepted internationally. But if you look at the Forest Stewardship Council's documentation internationally, they talk about high-conservation-value forest but it is very clear what they say about high-conservation-value forest: it is not a forest value that is to be used to expand and increase forest reservations.

It is a value that is taken into account in the management of forests. Our folks will read that and think: if it's high-conservation-value forest, everywhere else in the world it is a value that's just taken into the management processes of that forest. But here in Australia it's going to be treated totally different to the rest of the world and it's going to become a vehicle for a - well, not national park, World Heritage area. It just gets frustrating.

**Mr GAFFNEY** - Thank you.

**Dr GOODWIN** - Barry, you are here today in what capacity?

**Mr CHIPMAN** - I am no longer a staff member of Timber Communities Australia. We have hit a brick wall. I suppose I am someone who has been involved in the forest industry since I left school and I was part of this process until about nine months ago.

**Dr GOODWIN** - I thought it was important to get that on the record.

**Mr CHIPMAN** - What I have seen, and I suppose I have seen the worst of these sorts of processes and the Graham Richardson Helsham Inquiry was probably the worst. It was identified by his own government and they implemented the National Forest Policy Statement to put a process into future debates about forest management and they held up during the RFA and the Community Forest Agreement and this one has gone back to the

**Dr GOODWIN** - So you are a still a member of Timber Communities?

**Mr CHIPMAN** - Yes.

**Dr GOODWIN** - When you say you have hit a brick wall, what -

**Mr CHIPMAN** - Financially.

**Dr GOODWIN** - So they weren't able to continue your position. Is that what you are saying?

**Mr CHIPMAN** - Yes. That's right. We are a national organisation and we needed national representation first and state representation second, which I totally agree with. I advocated for that.

**Dr GOODWIN** - What I'm getting from what you've said today is that you are not a fan of this agreement or the process.

**Mr CHIPMAN** - From my point of view, a willing participant in the fishing trip because our goals of a pulpmill, certainty and peace were worthy goals. Sometimes you don't get all the goals you want but that's what we are aiming for. If there was a pulpmill, great, if it was peace in the forests or if it was certainty, it's not necessarily where we expect -

**Mr DEAN** - This will deliver none of those.

**Mr CHIPMAN** - That's right. Then after what happened on that Sunday night and so forth, it started to look like a runaway train.

**Dr GOODWIN** - So you lost faith in the process or whatever was occurring. You say you don't see it is a process.

**Mr CHIPMAN** - The fishing trip ended, if you like, and this thing has become a monster. I suppose there are two ways you can look at it. You stand back at this train station waving goodbye and it does terrible things, or you stay on it and try to get it to some form of destination. That's what we did and were agreed participants in that phase, but at the same time, whatever the destination was and we weren't sure what the destination was going to be, we were still aiming for a pulpmill, certainty and peace, then it had come to this destination. I personally can't accept the destination because, again, if I say, well okay, the Great Western Tiers and the forests of Bruny Island are going to be put into national park or as a formal reserve for high conservation values, where is the value? What can I go and say to Bruny Island? That it's going to be a national park because of its high conservation value. Where are the criteria that people can be comfortable with? That, yes, it's high conservation value because of this, this and this.

**Dr GOODWIN** - So you don't think what we've ended up with in terms of the agreement delivers any of those three things you started out working towards?

**Mr CHIPMAN** - No; most certainly not a pulp mill. There is not peace in the forests because I found a press release that was quite interesting. It was issued on 3 August 2011 from the Australian Forest and Climate Alliance. It says conservation groups reject the pulp mill and that there must be a total end to all timber harvesting in native forests. It is interesting to look at who is a member of this: the Wilderness Society, Still Wild Still

Threatened, Huon Valley Environment Centre, Environment Tasmania. The only participant to the round table that is not there is the ACF. The Wilderness Society and Environment Tasmania said we're not going to be happy until there's no harvesting in native forests.

**Mr VALENTINE** - You talk about the JANIS principles. What are they?

**Mr CHIPMAN** - The report for the Joint ANZECC/MCFFA National Forest Policy Statement Implementation Subcommittee. The JANIS criteria came out of the National Forest Policy statement. Politically it stood up to incoming and outgoing governments. It was developed by the Keating government, adopted by the Howard Coalition unchanged, and it still sits there today under the present federal government. It is recognised internationally and it comprises criteria that provide you with old-growth biodiversity and wilderness.

**Mr VALENTINE** - In all the agreements you have been involved in, have you ever been aware of ENGOs actually signing up at the end of the day to any of those?

**Mr CHIPMAN** - No. The Forests and Forest Industry Council strategy, which came about after the Helsham inquiry, was put in place by David Llewelyn. The Forests and Forest Industries strategy involved industry representatives, local government, indigenous and environmental groups to come up with a balance, if you like. At the Forests and Forest Industry Council, up till the council's closing which was in June of last year, there was also a seat at the table for the combined environment groups. The TCA was a member of the Forests and Forest Industry Council and there was always a seat there, but for the environment movement to take up that seat was an acceptance of the outcome of the FFIC strategy. They argued and involved themselves right up to, 'Okay, we've got a deal. Let's all sign off', and they refused to sign off. They participated in the RFA process - if you look through the documentation there are submissions made by the Wilderness Society and all the other environmental groups - knowing full well the rules were about achieving a balance.

The RFA started with the ALP federal government and continued on to be finalised by a federal Coalition government, which is a bit unique because it was based on a solid foundation. It was signed off after Campbell Town. It started with an ALP federal government and a Tasmanian state Liberal government. Ray Groom was the Premier who signed up to commence the RFA. When the RFA was finished, the colour of the politics had changed. It was a federal Coalition government and a state Labor government, which was unique because at a state level and a federal level the process was accepted and not altered.

The environmental movement took what they could - all of Beech Creek, all the areas of forest that were set aside in that RFA - 400 00 hectares, I think. They didn't say, 'No, no, we don't want that because it's terrible'. The day after they called it rape, fraud and arson because there were some forests it didn't deliver and didn't close down the industry.

**Mr VALENTINE** - So they didn't sign it?

**Mr CHIPMAN** - No, they didn't sign it. Under the Community Forest Agreement process, the Mark Latham-John Howard process, more forests were reserved. A lot of the forests

reserved under that agreement had been forests that had been assessed under the RFA and were in forest reserves and those reserves then become more formal reserves. They didn't say they didn't want them; they took them and then condemned that process.

**Mrs TAYLOR** - Where to from here? If we don't sign this agreement what is going to happen because there will be no agreement? We have to look at the option of what will happen. Do you have a suggestion for a positive outcome here? Would you prefer us to say no?

**Mr CHIPMAN** - There are people whose families and family businesses have been affected by this. The pulp mill goal was one thing but we have now lost Triabunna. The message I am hearing from timber folk is that they have no confidence in this because there is nothing they can grab hold of and say, 'Here are the rules. This is what is going to occur'. I do not know whether you go back to the start. If this is all about high conservation value then people need to know what high conservation value is, because that was the argument. It appears to be a moving feast.

**Mrs TAYLOR** - I have people saying we don't know where we are, don't know whether it will be durable or not, but we need to have something because we're going to the wall. Sign this because it's the best there is. I don't know how you feel about that.

**Mr CHIPMAN** - It's hard if 500 000 hectares of forest is taken out of productive forest. The World Heritage committee came to Tasmania four or five years ago and the argument was that you cannot have logging anywhere near the boundaries of the World Heritage area. The boundaries are about to moved again, so that argument will come up again. When the World Heritage committee came out they had to look at whether the forest was being managed properly and whether there was any argument for further extensions. They found there was no need for extension and the forests adjacent to the boundaries were being managed because the actual buffer zone was within the boundary.

**Mrs TAYLOR** - They might do that again.

**Mr CHIPMAN** - It's difficult. I was talking to some of our folk at Meander last night. With the Western Tiers now being deemed to be World Heritage quality, their very words were, 'Is this the ultimate insult or the ultimate compliment?', because the Western Tiers forests have been managed for wood production since the 1850s. At Smoko Creek there was a big forest battle and a certain member for Bass, who is now a member of state parliament, said, 'The forests are destroyed forever; they will never return. They are destroyed and this is terrible'. Those same forests now are being applauded as World Heritage standard, so is it the ultimate compliment to that forest management? If this destructive and terrible forestry can create a forest worthy of World Heritage, why would we want to change that land management regime, because it's very clear and we can never question what the state member for Bass has to say. He says that it is now worthy of World Heritage. The forest regime in place is doing its job.

**Mr VALENTINE** - I think the logging techniques have changed; that's the problem.

**Mr CHIPMAN** - If you look at a clear-felled forestry coupe 50 hectares in size, it takes six to eight months for that forest to be harvested. Quite often there is nothing going on a Sunday and nothing going on when it gets dark, so the destruction has pauses in it. If

you look at the events of the last few weeks, 20 000 hectares - with no thought of streamside reserve or wildlife habitat strips or scenic corridors or anything like that - is clear-felled in a couple of days. What is more destructive? When I worked in the bush and I was a tree-feller, I could never do what Mother Nature does.

**CHAIR** - Thanks very much, Barry.

**THE WITNESS WITHDREW.**