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Mr Stuart Wright,
The Secretary,
Legislative Inquiry into Tasmanian Forestry Bill 2012.

Submission in response to the Terms of Reference.

CV.

My name is Don Frankcombe, age 85. I have a degree in Forestry and have spent my entire life in the forest industry with local and overseas experience.

Introduction.

The Tasmanian Forest Bill 2012 should reflect and legislate the terms of The Tasmanian Forestry Agreement 2012 signed by the Government appointed committee members. I have deep concerns that the Bill is deficient in providing certainty to the whole industry and due to the reduction in area allocated to wood production will result in the end of a viable native forest industry in Tasmania.

The Tasmanian Forestry Agreement 2012.

The Government appointed members of this committee, with the exception of the TCA, all achieved the endorsement of their respective organisations in signing the Agreement. The forest industry representatives were answerable to the remaining family owned sawmillers who have maintained or enhanced their log quotas and have been assured that the radical conservation actions including industry blockades and destruction of their markets will cease..

The Contractors have been promised compensation, the Unions money and influence in contract negotiations and the Conservation movements an additional 504,000 ha of reserves. The Canberra based TCA representative signed the Agreement in spite of a negative vote of the Tasmanian membership. His action will have serious repercussions for the future of TCA in Tasmania.

The Tasmanian Forestry Bill 2012.

1. Part 2 Clause 6.

The Bill limits guarantees of supply of a specified volume of logs to sawmillers. There is no such guarantee to other customers such as Ta Ann and special timber customers.

2. Clause 9 Special Council.

The principal role of the Special Council is to report to the Minister on the “Durability” or compliance with the undertakings made by the groups, party to the Tasmanian Forestry Agreement 2012. The Council has supplementary responsibilities to advise the Minister on progress in implementation of the Act.

Given the disparate membership of the Special Council and their limited influence over radical elements outside their control it is inevitable that there will be irreconcilable disputes as to the level of satisfaction of “Durability”

In any case the impact of Durability will disappear once the total area of reserves under Part 5 of the Bill has been finalised. Thereafter, the conservation groups have nothing to lose by resuming anti-industry activities...

Therefore, there does not seem to be a long term role for the Special Council and as a consequence there should be a review period or more appropriately, a sunset clause for the Council.

3. General comments on the Tasmanian Forest bill..

(a) Community Support ?

The Tasmanian Forestry Agreement satisfies the narrow wishes of the signatories but there is evidence that many in the community, and particularly those affected by the proposed legislation in country regions, are strongly opposed to a further permanent contraction of employment opportunities resulting from the locking up of more forest.

There does not seem to be provision in the legislation for a critical examination of the long term social, economic, scientific implications of locking up more than 50% of the State in reserves.

There is an implied assumption that because the Tasmanian hardwood industry has been adversely impacted since the GFC by a high Australian dollar caused by the mining boom that it has no future. The reality is that the remaining businesses are severely handicapped by a refusal of the current owners of the Burnie and Triabunna woodchip export terminals to provide access. Given access to these facilities the remaining sawmillers would resume full production.

There is also no doubt that India and south Asian countries have rapidly growing economies and limited forest resources and will provide future markets for Tasmanian forest products. There is strong evidence that the loss of woodchip sales by Tasmania has been transferred to increased sales of hardwood chips from the mainland states.

(b) Plantations as a future sawlog source.

The Tasmanian hardwood plantation estate covers about 232,000 ha of which 178,000 ha has been established under MIS finance for short rotation pulpwood sale. 54,000 ha has been established on State owned land but more than half of this area has been financed by MIS. Thus there is a very limited area of plantation which can be pruned and thinned to supply potential sawlog or veneer. Only two species viz. *E globulus* and *E nitens* have been planted in Tasmania. The viability and suitability of these species as a substitute for 90 year old Ash eucalypt species in sawn timber remains unproven.

(c) Relevance of the Tasmanian Forestry Bill 2012.

The Bill will result in a contraction of the native hardwood industry to roughly 40 % of its pre-2005 size and therefore will make a minor contribution to the State income.

The future of the Tasmanian forest industry depends on the fate of the large area of privately owned MIS hardwood and softwood plantations.

It should be recalled that the now defunct Gunns pulp mill was designed to use 4 million tonnes per annum of plantation timber.

The options for the hardwood plantations would appear to be limited to either exports as woodchips or value adding in Tasmania as high grade kraft pulp.

The markets for the products from the Tasmanian softwood plantations are diverse and constant. There is a sustainable sawlog resource of at least 400,000 m³ per annum. This is a sufficient volume to supply the state-of-art sawmill at Bell Bay and for several existing preservation plants. Norske Skog is totally dependent on *P. radiata* and provides the market for the pulpwood and sawlog residues.

This raises serious questions about the plan to develop hardwood plantations to grow sawlogs.

The recovery of timber from small, fast grown eucalypt logs is low compared to that of an equivalent size *P.radiata* log. This is due to growth stresses in fast grown eucalypt and a propensity for back sawn boards to check and distort. *P.radiata* boards can be kiln dried in a week while equivalent eucalypt timber needs several months of air drying followed by kiln seasoning and steam reconditioning.

For plantation grown eucalypt to substitute for 90 year old native forest sawlog it would need to compete with other timbers in the high quality end of the market such as furniture and appearance applications.

Conclusion.

The Tasmanian Forestry Bill 2012 spells the end of the State owned forestry enterprise as a viable business. The State forests available for future wood production are so dispersed and the cut so low that the administration and land management costs will not be recovered in royalty payments.

The future of the Tasmanian forest products industry rests heavily on Government and community support for industries based on the large privately owned hardwood and softwood plantations.

D.W.Frankcombe B. For.