

## **SECOND READING SPEECH**

### **THE HON PAUL HARRISS, MINISTER FOR RESOURCES**

#### **FORESTRY (REBUILDING THE FOREST INDUSTRY) BILL 2014**

Madam Speaker,

I move that the Bill now be read a second time.

This legislation represents a turning point for the Tasmanian native forest industry. One that increases future opportunities for Tasmania and the possibilities available to the forest industry.

This Bill establishes a structure for land management that recognises the importance of striking a balance between conservation outcomes and the opportunity for sustainable economic growth.

Under the TFA Act, 494 000 hectares of land ceased to be available to the forest industry and

tied the industry to a dramatically reduced resource base.

This Government says no more.

Tasmania's forest industry, and the use of our forest assets for economic gain, is not something of which we should be ashamed. Tasmania has a history of forest stewardship, research and development of which we can all be justly proud.

We have a native forest industry that has evolved in response to changing community sentiments and will continue to evolve.

There is no doubt that the native forest industry is at a critical juncture, from which it could enter an irreversible decline through the loss of historic markets and increasing competition from plantation wood.

Our historic markets have changed. The Government recognises that broad-scale woodchipping is not a basis on which the Tasmanian community wishes to build a forest industry.

This is the time to explore new opportunities and not close our minds to what the industry may achieve.

This Bill does not seek to change the world overnight. A change in course for the forest industry will take time. It is likely to require new entrants into the sector, prepared to look at alternative uses of wood products, alternative extraction methods and alternative markets.

It is not the Government's role to champion the products of the future, or secure commercially viable markets for the industry. It is, however, the Government's responsibility to ensure that the decisions of today with regard to our forest estate provide choices in the future.

Rather than fixing a course from which, once entered upon, there is no return, this Bill ensures that we retain the capacity, and right, to make informed choices in the future.

## **Future Potential Production Forest Land**

Turning to specifics, the Bill repeals the *Tasmanian Forests Agreement Act 2013*.

The Bill converts the bulk of the land described under the *Tasmanian Forests Agreement Act 2013* as Future Reserve Land, to Crown Land, to be known as Future Potential Production Forest Land.

The Future Potential Production Forest Land does not include the 94,900 hectares of Future Reserve Land that has already been made into reserves through the TFA Act. Those reserves will remain in place, pending the outcome of the current application by the Australian Government to excise parts of the extension to the Tasmanian Wilderness World Heritage Area.

The Bill makes specific provision that if the World Heritage Listing is removed from any of the land reserved through the TFA Act, that land may revert to Future Potential Production Forest Land by Order of the Crown Lands Minister.

The Future Potential Production Forest Land includes the remaining Future Reserve Land, with the exception of:

- 21 300 hectares of 'log once and restore' and 'log of last resort' land, which could not have been made into reserve under the TFA Act until 2022 and will now revert to permanent timber production zone land;
- 30 hectares of Future Reserve Land that is owned by statutory entities such as Tasmanian Irrigation P/L or the Abt Railway Ministerial Corporation.
- Approximately 280 hectares of land parcels that were already in the process of transfer to other uses prior to the TFA.
- 40 hectares of private land.

In total, the Future Potential Production Forest Land covers approximately 398,490 hectares from the original 515,000 hectares of Future Reserve Land.

## **Management of the Future Potential Production Forest Land**

The land that constitutes the Future Potential Production Forest Land will be managed as Crown Land within the meaning of the *Crown Lands Act 1976*, and in accordance with the management objectives set out in Schedule 2 of the Bill.

On commencement of the Bill, Future Reserve Land that is currently permanent timber production zone land will cease to have that status.

This change in tenure has the effect of removing the land from the control of Forestry Tasmania, and control will revert to the Department of Primary Industries, Parks, Water and the Environment, to be administered through Crown Land Services.

Madam Speaker, there has been considerable comment and debate about the Government's motivations in repealing the Tasmanian Forests Agreement Act, and bringing to an end the reserve making process it established.

Let us be clear. The Government has made a decision, supported by the Tasmanian people

through the recent State election, to reassess our priorities for the forest industry.

The Government has said 'enough is enough' and no more lock-ups of our productive forests.

However, these decisions are made with the full understanding of the current state of the native forest industry in Tasmania, and the challenges it faces in re-establishing its markets, particularly for harvesting and processing residues.

The Government has stated its dissatisfaction with the process that was adopted to assess the conservation values of the Future Potential Production Forest Land. Decisions such as these are too important to the broader community to be made behind closed doors.

The Government has heard the claims and counter-claims with regard to the conservation values of the Future Reserve Land. It will not be rushed into a decision by either side of the debate.

Therefore, the Government has determined that no native forest harvesting will be permitted on Future Potential Production Forest Land.

The exception to the prohibition on native forest harvesting is to provide a mechanism through which special species timber harvesting may be authorised, if required.

## **Special Timbers harvesting**

The exception for special timbers harvesting is very important to provide certainty of supply to the sector.

The exception is limited in scope. Special species timber harvesting is limited in the Bill to selective harvesting, meaning the harvesting of single trees or small groups of trees.

The exception provided in the Bill will not be used to support industrial scale harvesting operations within the Future Potential Production Forest Land.

Forestry Tasmania is specifically excluded from applying for authorisation to harvest special species timbers in the Future Potential Production Forest Land.

Forestry Tasmania will continue to focus on its role as manager of permanent timber production zone



land, and will retain primary responsibility for meeting market demand for special species timbers from that area.

There remains significant work to be done to properly understand the resource requirements of the special timbers sector, and the opportunities for growth in its markets.

However, where valid concerns regarding supply are raised, and there is potential to meet demand from sensitive harvesting of timber from the Future Potential Production Forest Land, there should be transparent mechanism through which such a proposal can be assessed.

Proposals to harvest special species timbers will be addressed on a case by case basis.

Before an applicant seeks authorisation to harvest special species timbers in the Future Potential Production Forest Land, they must have first obtained a certified forest practices plan.

An applicant may be required to provide additional prescribed information as part of their application. While not limited in scope, this may be expected to cover additional aspects of the operation, such as

information regarding the proponent and their business.

The Government understands the importance of achieving internationally recognised standards of certification, such as Forest Stewardship Council certification, to the broader forest industry.

Before authorising harvesting, the Crown Lands Minister must therefore seek advice from the Minister administering the *Forests Management Act 2013*, including that harvesting can be undertaken consistent with the certification standard under which Forestry Tasmania operates.

The Bill also amends the *National Parks and Reserves Management Act 2002* to provide consistent references to special species timber harvesting in the management objectives for Regional Reserves and Conservation Areas.

## Exchange of Land

The Bill provides a mechanism to enable the exchange of land between Future Potential Production Forest Land to the Permanent Timber Production Zone Land.

The exchange mechanism will allow Forestry Tasmania to better manage the Permanent Timber Production Zone Land, by providing a means through which potential conflicts between conservation values and timber production requirements can be addressed, such as transfer of high conservation areas out of the PTPZL.

Under the Bill, the exchange of land is approved by the Minister responsible for the *Crown Lands Act*, and then given effect by the Minister responsible for the *Forest Management Act* by an order made under the *Forest Management Act*.

The Order is a disallowable instrument and must be tabled for approval by both Houses of Parliament.

The Bill utilises the architecture provided under the Forest Management Act for transfer of land into and out of the permanent timber production zone

land. This will ensure that all dealings with permanent timber production zone land are handled through a consistent process. That process places the final decision on the exchange of land with the Parliament.

## **Conversion of Land**

The Government recognises that there may, in the future, be a desire to place areas of Future Potential Production Forest Land in reserves. It does not seek to remove that option altogether. However, it does not want to see a process where the division, and conflict, in the community that was generated over the making of reserves through the Tasmanian Forest Agreement is repeated.

Conversion of the Future Potential Production Forest Land to reserves therefore remains possible at any time, but will require a two-thirds majority of each House of Parliament to approve a draft proclamation.

The same two-thirds majority requirement is to be applied to proclaim any area of Permanent Timber Production Zone Land as reserve.

It is intended that the FPPF land can only be made available for forest harvesting through the specific processes established by the Bill.

The Bill therefore provides an amendment to the *Forest Management Act* to prohibit Forestry Tasmania from purchasing or otherwise acquiring the Future Potential Production Forest Land.

No earlier than 8 April 2020, the tenure of the Future Potential Production Forest Land may be changed by the conversion of the Future Potential Production Forest Land to Permanent Timber Production Zone Land.

Six years provides time for the Tasmanian community to better understand the range of values across this land, and for future decisions to have a sound scientific basis.

Conversion of the land to Permanent Timber Production Zone land would take place by Order of the Minister administering the Forest Management

Act with the approval of the Minister administering the Crown Lands Act.

The Bill makes clear that, if a decision is to be made to return part or all of that land to production forestry, the Minister administering the Forest Management Act would need to have ordered a full and detailed examination of the land in question, including conservation values, resource and demand analysis and an evaluation of the social and economic impacts of the proposed change in tenure. The Minister would also need to have regard to the capacity of Forestry Tasmania to harvest the land under its forest management certification.

An order to convert Future Potential Production Forest Land to Permanent Timber Production Zone Land will be a disallowable instrument. This will leave the ultimate decision on long-term forestry operations over the land in the hands of the Parliament.

The provisions of the Bill allowing for conversion of the Future Potential Production Forest Land provide a process through which the Parliament may ultimately make decisions as to future land

tenure of the Future Potential Production Forest Land. The Bill does not mandate a particular course of action. There is no requirement for any decision to be made at a particular point in time.

What the Bill does achieve is to provide the forest industry with the knowledge that the opportunity for future sensible, sustainable use of our forestry resources is preserved.

### **Forestry Compensation Certificates**

The Bill retains the provisions of the TFA Act relating to the provision of forestry compensation certificates.

The Government recognises that these provisions give certainty for businesses in investing in the Tasmanian forest industry. If future policy or legislative changes affect the capacity of Forestry Tasmania to meet its contractual arrangements then compensation from the Crown may be paid to those affected. The Government supports this arrangement.

A Forestry Compensation Certificate can only be issued by the Minister if:

- there is an enforceable wood supply contract in place that is of a period of not less than 2 years and there is a specified quantity in the contract;
- the logs supplied are to be processed in Tasmania into a forest product;
- any requirements set out in regulations that prescribe environmental or economic requirements are met; and
- Forestry Tasmania certifies to the Minister that it is able to supply the quantity of logs specified in the contract.

If a certificate is issued, then the only circumstances in which a person may ask for compensation from the Minister is if there:

- is a change in State law that has the affect of diminishing the quantities of logs available to Forestry Tasmania; or
- a change in policy (in relation to forest practices within the meaning of the Forest Practices Act) that solely or primarily affects the forestry industry,



that prevents Forestry Tasmania from providing the contracted supply, after the date on which the certificate has been issued.

## **Conclusion**

This Bill will provide a fair balance between conservation and industry objectives. For so long as the forest industry is unable to demonstrate a case for harvesting on the Future Potential Production Forest Land, it will remain off-limits for logging.

Any future special species forestry activity on the Future Potential Production Forest Land will not be approved at the expense of Forestry Tasmania's efforts to achieve certification for its operations.

The Government has said enough is enough to reserves, but will not take precipitate action that imperils the recovery of the forestry industry.

Conversely, if, in the future, there are opportunities for expansion of this important primary industry, with employment and economic development in our regional communities, that can demonstrate a case for sustainable use of Future Potential Production Forest Land, then these should be given every chance to succeed.

Madam Speaker, this Bill enhances the future economic possibilities available to Tasmania and I commend the Bill to the House.