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6 December 2011

Professor Jonathon West

Chair

Independent Verification Panel, Tasmanian Forests Inter-Governmental Agreement Australian Innovation Research Centre

Private Bag 108 University of Tasmania Hobart Tasmania 7001

Dear Professor West

We are writing to you to submit our views regarding the verification process under the Tasmanian Forests Inter-Governmental Agreement (TFIGA).

The Forest Practices Authority is an independent statutory authority responsible for the administration of the *Tasmanian Forest Practices Act 1985*. The statutory objective of the FPA is *to act in all matters in a manner that-*

- (a) best advances the objective of the State's forest practices system; and
- (b) fosters a co-operative approach towards policy development and management in forest practices matters.

The objective of the forest practices system is to achieve the sustainable management of Crown and private forests (Schedule 7, Forest Practices Act).

The FPA is required to pursue the objective of sustainable forest management within the overarching framework of broader governmental legislation and policies.

The FPA, as an independent regulator, has experience, expertise and perspectives on forest management that may be different to those held by governments and other stakeholders.

The FPA has not been engaged in any of the negotiations leading up to the TFIGA. We are deeply concerned about some of the potential outcomes that may arise from the agreement and we wish to submit the following comments.

1. Any outcomes under the TFIGA need to recognise the capacity to protect high conservation values through both reservation and by management prescription within non-reserved forests.

This approach is consistent with the principles of the *National Forest Policy Statement*, which provides for the establishment of a comprehensive, adequate

and representative (CAR) reserve system that is complemented by the conservation of values on other lands through management prescriptions and informal reserves under codes of practice. Tasmania's forest practices system has been acknowledged as providing a very effective framework for systematically identifying and managing natural and cultural values within public and private forests (Attachment 1).

2. Appropriate discounts for the sustainable management of natural and cultural values need to be applied to yield forecasts from state forests

There is already a tension between wood production targets for state forest and the requirements of the Forest Practices Code. Further reservation of state forest without an appropriate reduction in wood commitments will seriously exacerbate this tension (Table 1).

Table 1 – Forecast yields from state forest under TFIGA scenarios (,000 m³/yr)¹

TFIGA wood		Existing state forest (no		ENGO target (additional	
targets		additional reserves)		572,000 ha reserves)	
sawlog	peeler	sawlog	peeler	sawlog	peeler
155	265	204	265	117	191

Forestry Tasmania's final report to the Signatories to the Tasmanian Forests Statement of Principles (6 June 2011)¹ presents yield estimates that are based on applying the current requirements of the Forest Practices Code. The estimates include a discount of 10% to take account of additional constraints arising due to coupe dispersal rules and issues such as threatened species and karst. This discount factor makes no allowance for the continuing improvement of the Code and its associated planning tools. The independent review by Brack and Vanclay (1 June 2011)² recommended that this discount level should be increased to provide greater headroom for yield purposes. Preliminary modelling by Forestry Tasmania of changes being developed by the FPA relating to the biodiversity provisions of the Forest Practices Code indicate that the discount factor could be as high as 40%. Further detailed coupe-level planning would be required to determine a discount level that represents a reasonable balance between the economic, environmental and social values of the forests.

The FPA's conclusions from this analysis are that -

- From the current area of state forest
 - Forestry Tasmania <u>can meet</u> both the TFIGA wood targets and the current requirements of the Forest Practices Code
- From a significantly reduced area of state forest
 - Forestry Tasmania <u>cannot meet</u> both the TFIGA wood targets and the requirements of the current Forest Practices Code. That is, either the wood targets would need to be substantially reduced or Forestry Tasmania would need to be given an exemption under legislation to operate at a lower environmental standard than currently applies. This

would have serious implications for the conservation of important values, including threatened species habitat, karst, water catchments and visual values.

3. Meeting the TFIGA targets for wood production from a reduced area of state forest will result in the intensification of forest management

The FPA believes that further intensification of wood production regimes in native forests is not consistent with a preferred objective of managing natural ecosystems under less intensive regimes that have lower impact on the multiple non-wood values of the forests. As discussed above, the TFIGA targets for wood production and the ENGO targets for reservation could only be achieved through a significant lowering of environmental standards and a significant intensification of harvesting within the remaining wood production forests. This will increase the impacts of harvesting on non-wood values. It will perpetuate, if not exacerbate, public concerns over intensive wood production within native forests. Public concern will not be allayed simply through a reduction in the area of forest that is subjected to intensive wood production practices, particularly if that reduced area is subjected to further intensification.

The alternative model of reduced wood production derived from a broad area of forest under enhanced regulation could have a more favourable biodiversity outcome for the State, and we suggest it should be part of the TFIGA's panel's considerations.

4. The TFIGA wood production reservation outcomes will have a profound effect on the management and conservation of private forests

Tasmania's private forests contain many of the state's highest conservation priorities and private forest owners make an outstanding contribution to nature conservation under the current system of voluntary reserves and through management actions under the forest practices system. These conservation outcomes are now under serious threat. Uncertainty about the future of resource use in native forests and a declining processing sector is putting pressure on landowners to liquidate their assets in the short term by adopting more intensive harvesting and grazing systems. There is likely to be diminishing incentive, other than the fear of penalties, for landowners to manage their forests to maintain good regeneration and to control weeds and fires. More will seek to convert their forests to other forms of land use. This will inevitably put considerable pressure on governments to either water down the current constraints on land clearing or face the challenge of protecting important conservation values in private forests without incurring an unsustainable management cost on either the landowner or the public.

The current forest practices system provides a very effective way of balancing economic and environmental outcomes in private forests. This success will only continue if landowners have opportunities to derive an income from the

sustainable management of their forest assets and if the environmental standards under the Forest Practices Code are not downgraded as a consequence of governmental agreements that seek to maximise wood production from a diminishing forest estate.

We are happy to elaborate on these issues and to provide any other information that will assist the Independent Verification Panel in its work.

Graham Wilkinson Chief Forest Practices Officer

Professor Gordon Duff Chair

Copy to-

- 1. Dr Robert (Bob) Smith
- 2. Dr Michael Lockwood
- 3. Professor Brendan Mackey
- 4. Professor Mark Burgman
- 5. Professor Ross Large

¹ Forestry Tasmania (2011). Evaluation of Wood Resource Scenarios relevant to the *Tasmanian Forests Statement of Principles to lead to an Agreement* – Final Report to Signatories. http://www.forestrytas.com.au/uploads/File/pdf/pdf2011/final report signatories resource modelling .pdf

² Brack, C.L. and Vanclay, J. (2011). Independent Review of Forestry Tasmania Sustainable Yield Systems, http://www.forestrytas.com.au/uploads/File/pdf/pdf2011/ft_audit_commonwealth_2011.pdf

Attachment 1 – Background on Tasmania's forest practices system

Tasmania's forest practices system provides an effective framework for identifying the natural and cultural values of the forest and for determining where and how wood production can be carried out in a manner that best sustains these values. The FPA, as an independent advisor, researcher and regulator, has a key role to play in the search for a sustainable future for our forests and for our forestry sector.

The FPA:

- regulates forest practices across all tenures and has 25 years of expertise and experience in developing and implementing management prescriptions in public and private forests
- has a team of scientists and specialists that provides an integrated approach to the planning and management of a range of natural and cultural values, including biodiversity, soils, water, geoheritage, visual landscape and cultural heritage
- has a network of 180 Forest Practices Officers employed throughout the public and private sectors, who are highly experienced in delivering forest management outcomes that are practical, commercially viable and environmentally sustainable
- monitors and reports on standards achieved under the Forest Practices Code and uses appropriate enforcement measures to maintain high standards of compliance
- conducts research and monitors the effectiveness of management actions, ensuring that management prescriptions are scientifically robust, practical and effective and improved over time
- promotes the principle that sustainable forest management is best achieved through cooperation and partnership with land managers and other arms of government, backed up with fair and credible enforcement
- has expertise and knowledge in the identification of 'high conservation values' and in determining whether the values should be conserved by reservation or by management prescriptions.