

**THE LEGISLATIVE COUNCIL SELECTION COMMITTEE ON THE TASMANIAN FORESTS AGREEMENT BILL 2012 MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 16 JANUARY 2013**

**Dr PHILLIP JAMES PULLINGER, Mr PETER JOHN SKILLERN**, CHIEF EXECUTIVE OFFICER, AND **Mr RUSSELL DENIS WARMAN**, ENVIRONMENT TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** (Mr Harris) - Welcome gentlemen. Thank you. I am not sure whether Russell or Peter appeared before the Legislative Council committees in the past but Phil has. The process here, in a formal setting like this, is that you are protected by parliamentary privilege so anything you say here is unimpeachable. However, if you choose to, or are invited by the media, to make comment about what you have contributed here today, outside this precinct, then you are not protected by privilege and are susceptible to the law if somebody thinks you have made a defamatory comment or to that effect. I need to make you aware of that.

With that, we do not have a submission from you and we understand that time has been short since we issued the invitation for you to appear. We presume that you have something to share with the committee in terms of your position on that matter and, obviously, questions will flow from that.

**Dr PULLINGER** - Yes. I was going to ask Peter to make some introductory remarks and then we have obviously listened closely to the debate in December and prepared some answers to what we think some of the questions you had then or may have today are. I assume that we allow the questions to flow and do our best to answer the questions.

**CHAIR** - Thanks, Phil.

**Mr SKILLERN** - Thanks, Phil, and thank you, Chair. First, on behalf of Environment Tasmania, I would like to thank the committee for the opportunity today to appear it. Most of the committee would know Dr Phil Pullinger, my colleague, and also my other colleague, Russell Warman, and his intimate involvement in this process. Accordingly, Phil will seek the answer the more technical and process orientated questions this morning.

The agreement that has formed the basis for this legislation before this committee is historical. I appreciate the word 'historical' is used with abandon and inappropriately from time to time. However, on this occasion it is apt, and it is an apt description of where we find ourselves.

I will contextualise that. There have been a number attempts over the last two and half decades to resolve this issue, and two of the more recent ones being the Regional Forest Agreement 1997 and the Tasmanian Community Forest Agreement 2005. These previous, well meaning, attempts have been government-led and, by definition, party political in nature. The outcomes have been government imposed, often with little or no real buy-in from all the genuine stakeholders. Under these circumstances, durability of these agreements has been difficult, if not impossible to maintain.

The agreement before us now is historic because it was the stakeholders within this decades-old debate that came together of their own volition without party political influence and pressure and have, over nearly three years of arduous work, reached an agreement that all parties can live with.

Let me be clear here, that all the signatories, conservationists, the industry and union representatives alike, have worked extremely hard. We should recognise the work that these individuals and their respective organisations have undertaken. This agreement has not been easy for any of the parties. It has involved significant compromise on all sides and no party should or can claim they have received or given up more than any other.

There has been criticism by some that the signatories were unelected and have sought to carve up that which is not their's. This is an argument with little substance. The reality is, the agreement and the associated legislation is part of a process and we now find ourselves at that point in the process where elected representatives of the broader community do indeed have input via the passage of the bill through the lower House and here today by these hearings and the subsequent consideration by this Council.

This agreement and the legislation represent a unique opportunity for the broader Tasmanian community to move forward from a divisive and economically restrictive debate that has lasted more than three decades. This debate has caused division within families. It has caused division within the community. It is well past time that we moved on. We have seen only as recently as last week how our wonderful community puts aside trivial political divisions and differences and joins together to help one another through hardship when we are confronted with an overwhelming challenge. It is in our collective psyche and we should all be proud of that.

I have worked with logging contractors on the ground, I have worked with conservationists on the ground, and I have worked within the political arena. What I have learnt is that we all want what is best for our families and our wonderful state. It is only our perspectives of that hope and our perspectives of that vision that differs.

We have before us an agreement that optimises what can be done when people of differing perspectives come together with a genuine and high felt commitment to find a solution to move forward. We have two clear choices here. First, we can continue the division, we can continue the decline of the forest industry, and we can continue to erode our natural environment; or second, we can move forward together as a united community, proud of our sustainable forest industry, proud to promote our forest industry, and proud to promote this state of ours.

Yes, there will be elements on the extremes of both sides of this debate who will never be happy until they achieve their unrealistic demands. But for the rest of the community, the rest of the industry, and the rest of the conservation movement, it is time to move on together. We cannot afford to be held hostage by the extremes in this or another debate.

In summary, past approaches and processes have not worked and the emotion over native forest logging built up over decades has meant that public discourse is often so polarised that it hinders practical solutions in Tasmania. Also in Tasmania, this has been fertile ground for political point-scoring and social division. That has begun a long and bitter

debate and a breakthrough required a change in approach. Leading figures in those groups most involved in this debate, including myself, agreed that it was time for a new approach. We believe that the best chance for resolution would come through direct dialogue and a goal of establishing common ground which would lead to a durable outcome.

I cannot think of any other issue that has been so debated in the public arena and in the Tasmanian parliament as that of Tasmanian forestry. As I said, it is now time to move forward as a community. There are many pressing issues that we need to address and this ongoing debate hinders us in addressing those. I urge all of us to move forward together and, again, I thank this committee for the opportunity today. Thank you, Mr Chairman.

**Dr PULLINGER** - We are happy to take questions now, if it is appropriate.

**Mr DEAN** - My first question is in relation to the issues that were brought forward here yesterday by the government - the changes and so on that have been mooted. What is your position there? Have you now been through those suggested changes and amendments, and what's your position?

**Dr PULLINGER** - Yes, I had a chance to have a brief look late last night at the documentation that the government had tabled. I want to caveat this response by saying that the intention is for us to get a full briefing on that later today and to meet with the signatories. So we want to come back with a joint approach to that. Prima facie, it looks like a genuine attempt by the government to respond to the concerns that were raised in the Legislative Council in December. Quite a number of Legislative Council members said that they wanted to see the details of the protection order and that's essentially the crux of what the government tabled yesterday. Having said that, we understand there were some concerns raised yesterday. Prima facie, it looks like a straightforward response from the government to address the concerns from the Legislative Council but we will be having a signatories meeting to discuss it later today.

**Mr DEAN** - When did you become aware of that position?

**Dr PULLINGER** - At the time that the government tabled them -

**Mr DEAN** - Yesterday?

**Dr PULLINGER** - Yes.

**Mr DEAN** - That was your first notification?

**Dr PULLINGER** - Yes but, as I said, having had the chance last night to actually look at it, the content of it is not surprising, considering that, from my hearing of the debate in December, it was one of the core things that the Legislative Council raised on quite a number of occasions. That is, that they wanted to see the details of the protection order and, in essence, that was what was tabled by the government yesterday, which is what the Legislative Council had asked for in December.

**Mrs TAYLOR** - We wanted to know the boundaries of the land packages.

**Dr PULLINGER** - That is right, and the values and purposes.

**Mrs TAYLOR** - Yes.

**Dr PULLINGER** - And so forth, at the time.

**Mr DEAN** - I have a further question, Mr Chairman, but not on this.

**CHAIR** - Anybody else on this line, in terms of what was tabled yesterday and the reaction? I certainly have some on this matter.

Could I contend that we are almost at the last hurdle, if you like, in terms of a possible agreement? What do you say to the proposition that it is a bit ham-fisted of the government to dump such voluminous changes to the legislation on this group, and thereby the Legislative Council as a whole, at this stage, in terms of not having consulted any of the signatories? Nobody knew about it.

**Dr PULLINGER** - The response I make is that in December there were multiple amendments that individual Legislative Council members were tabling and talking about and debating as that debate played out. The government tabled a number of amendments as well. My understanding is that a pretty normal part of the legislative process is that legislation before the Legislative Council may have amendments tabled and/or debated. The other point I make is that, and again, I did not get a chance to read that yesterday but I saw some of the Twitter feeds and some of the media was saying, 'There are 160 pages of amendments to the legislation', and my reaction to that story was, 'What's going on there?'. But when you look at the substance, there is only one change, which is to table all the details of the protection order.

I know that is something you raised in your speech and was raised in multiple presentations in that debate - that the Legislative Council wanted to see those details, and that is what was tabled yesterday.

**Mrs TAYLOR** - I guess that changes that. Rather than seeing them they are actually becoming part of the bill, which changes the whole dynamic in terms of durability.

**Dr PULLINGER** - In the presentations the signatories gave in December, our general approach or response in relation to the amendments was that we were supportive of the amendments that enhanced or delivered on the spirit or the intent of the agreement. We were counselling against unpicking or rearranging the agreement. As a group, we want to look at all the amendments and be able to provide that advice to you.

**Mrs TAYLOR** - Yesterday we were told by various people that not all the 500 000 hectares roughly to be reserved are high-conservation value, or at least have not been proved to be high-conservation value, and that there is probably a range of low, medium and high conservation value in that. Later in the day, Lindsay from ACF said to us that all the 500 000 hectares was high-conservation value. I don't know which of those statements is true and I don't know how much is and how much isn't.

The other thing we heard and have been told is that 137 000 cubic metres of prime sawlog is very tight for the forestry industry to survive. It gives them only about 10 per cent headroom, which is probably not sufficient. Is there a schedule that says 'this much is high conservation', or 'these areas are high conservation and these are medium or low'? Is there any room from the environmental movement to move from that total number to possibly something less, so that 137 000 cubic metres might raise a bit closer to the 155 000? Are you all definitely set that this is the number and there is no variation from that?

**Dr PULLINGER** - I will give you a bit of background to try to walk you through this. In summary, the forests nominated for reservation in this agreement represent some of the world's most outstanding native forest ecosystems. You are talking about some of the world's tallest flowering plants, the largest tract of cool-weather rainforest in Australia, glacial refugia remnant from the last ice age, and areas of forest that are of critical importance to threatened species such as the giant freshwater crayfish, the swift parrot and others. There are also areas of outstanding natural beauty. The work that has gone into the preparation of the conservation case for these areas has been rigorous and comprehensive.

That reserve proposal has been developed by the conservation community in Tasmania over the course of the last 30 years. We have for formal tabling today a report that we published in August 2011. It is 600 pages long and essentially summarises 30 years' worth of work from experts, governments and local communities on the conservation values of those forests. At the insistence of both the government and the industry signatories, they had a requirement, notwithstanding the documentation and work we put into it, that there should be independent experts who ran the ruler over it so that it was not just an ambit claim that we were putting in there.

At the insistence of the government and the industry, the governments did run an independent expert review process that ran an audit over all of those areas. The experts involved in that included people highly credentialled and regarded in their field nationally and internationally, people like Professor Brendan Mackey, Dr Michael Lockwood, Peter Hitchcock, Professor Chris Johnson, Dr Menna Jones and others. They prepared an expert analysis of every parcel of that forest. They broke it up into 270 sub-parcels. They assessed it against nationally and internationally recognised policy benchmarks in conservation science. There were 10 key conservation criteria that they looked at for every one of those parcels of forest: representation of forest biodiversity, habitat for threatened species, refugia, old-growth wilderness, outstanding heritage values, connectivity, restoration, ecosystem services and unique features. What they found was that, in large part, the vast majority of those forests did have either one or more of those critical conservation values. That is one of the reasons why it was so tough for the industry and the conservation movement in these negotiations because the industry were not just asking the conservation movement to deliver a wood supply figure, they were also asking for us to put our hands on our hearts and say we believe that this was a credible reserve system and that we could defend it, and it was defensible out in the marketplace.

There were two things there that the industry was asking for and so in the work that we did in those negotiations - and they were long and painful - we had two key reference points. One was the expert assessments over each one of those parcels of land and we

also had a reference point which was our membership. The industry in the negotiations was continually saying, 'That's not enough wood. That's not enough wood. That's not enough wood. You need to go back and have another look to see if you can find any more wood for us.' We went through a process of looking at the areas that did not come up highly or where we could make a compromise on. We got very stuck, both the industry and environment groups, on multiple occasions so it was hard work to get to that landing point.

A part of the answer to your second question in the process in that we had scraped the bottom of the barrel as far as what we felt we had room to move to get to that landing point with the industry and it took months and months of negotiations to get there. From the industry's point of view, if you start unpicking and changing that wood supply number it is not going to be viable for them, and similarly from the point of view of the conservation case.

**Mrs TAYLOR** - Thank you. I understand that you have seriously done this process. I am not trying to make light of that, but it has changed over the last year. The first claim, the original, was something like 600 000 - 560 000 - and it has gone down progressively. One of the reasons we wanted to have the detail from the government about what the land parcels actually were is that they were not defined and now they are. When the bill first came to us they said, 'Well, it is kind of here and here. These are the maps, but that is not actually the boundaries.' So there was obviously some room to move. I am just concerned that if 137 does not provide a viable industry then the agreement is going to fall over in the end because we will have no - so you think there is absolutely no room to move?

**Dr PULLINGER** - I think that that is the process we have been through for the last two-and-a-half years of negotiations and hard work on both sides to get to a landing point.

**Mrs TAYLOR** - I understand that. I understand what you are saying about 10 criteria, but some of those pieces of land obviously don't, or most of them don't, have all 10 criteria. As you say, some of them only have one, maybe. It would have to be a really critical one, wouldn't it, to not be able to be looked at again.

**Dr PULLINGER** - To pick an example in that regard: there are areas in the north-west of the state that came up with one criterion, which is that they are the most critical habitat for the giant freshwater lobster. We could not put our hands on our hearts and say to the industry, 'You can have some more wood but you will also be logging the most critical habitat for the giant freshwater lobster'. We could not credibly go out and sell that to our membership or to the marketplace, which is what the industry is asking us to do. That is an example to respond to that example that you used.

**Mrs TAYLOR** - There are areas within the 500 000 that have been logged a number of times over the last 150 years so they are certainly not old growth but I am presuming you have other criteria that made them come onto the list.

**Dr PULLINGER** - Yes, there is disturbance within some of those areas but also the areas where there is recent disturbance or where there has been logging and clearfelling, for example, that was the prism and we did have the assistance of the technical experts in Forestry Tasmania when we did this work, and we spent months in there looking at every

single coupe - 'Is there more wood in that, is there more wood here?' - and so the areas that you raise where there has been disturbance or logging, in a large part, if you looked at Forestry Tasmania's wood volume maps, they didn't have any wood because they had been logged in recent years and they wouldn't provide any wood in the immediate term for the industry to help them with their contractual supply. We did do that work and Russell helped us a lot with that technical work literally with a magnifying glass and looking on a coupe-by-coupe basis in some of the circumstances of where we could defensibly provide more wood for the industry.

**Mr WILKINSON** - A couple of supplementary questions, Phil. The first one is: clause 10 of the agreement seems to provide that some forest areas agreed to be reserved will be logged to ensure a continuous supply of logs to processors. Can you advise, first, that that is your understanding, is that correct?

**Dr PULLINGER** - The understanding that I have is that basically there is and we have recognised that - and this has been difficult all the way through the process - and this is where we are now and this is where we are going to get to, that there is time for the industry and land management of Forestry Tasmania to reschedule logging operations outside of those reserve areas into new forest areas. There is a recognition that there is a time cross-over period there, that it cannot be a case of just clicking your fingers and there is a cessation; the contractors finish up entirely after the operations that they are working on and move them to coupes outside the area.

**Mr WILKINSON** - In short, can those areas be logged to ensure a continuous supply of logs to processors until they are able to obtain other logs to meet their supply that is required?

**Dr PULLINGER** - My simple non-forester's understanding of it is that basically it takes time for the land manager to do the planning and the preparatory work - things like building roads, getting a forest practices plan approved to be able to make a new coupe available. They have had a logging schedule based around the existing areas available for logging, which includes coupes within the areas proposed for reserves and this agreement means that they will have to move to a different logging schedule but there is a time lag in between to actually do the preparatory work, get the roads ready and so forth.

**Mr WILKINSON** - Therefore you can log from those areas which are earmarked for reserves until the work is done to prepare the new coupes.

**Dr PULLINGER** - Therefore there is a short period of time or transitional period. It is recognised that it will take time for the logging operations to move outside of those reserve areas into the remaining production forests.

**Mr WILKINSON** - What is the transitional time that the environment group would accept? I know you can't put a specific time on it.

**Dr PULLINGER** - We cannot put a time on it but there is some work that is occurring at the moment. FT are doing some preparatory work on their logging schedules so I am not really in a position to give that level of specifics. From our end there is an acknowledgment that it takes some time. We obviously want that to happen as swiftly as possible. It is not good for any of us to have that ongoing source of tension and

uncertainty around that and we also understand that there is a need for some financial support from governments and they have committed to that to assist that process.

**Ms FORREST** - There are 52 coupes that are listed in the new schedule B, are they the ones we are talking about here and that Jim is referring to?

**Dr PULLINGER** - Yes, that is what you would be referring to and we have not had a chance to work through that.

**Mr WILKINSON** - That is when the new documentation was provided..

**Dr PULLINGER** - Yes, so we need to work through that with the government and FT and the signatories.

**Mr WILKINSON** - What steps will you take to ensure that activity does not result in actions by environment groups that might undermine the durability of the agreement? There might be some environmental groups out there that are saying these are reserved, you can't log in this area, even considering clause 10. If they commenced to protest, what steps are you going to take to ensure that that does not occur?

**Dr PULLINGER** - It is a good question. The coupe that is in process has been a major problem and source of conflict over the last 18 months, there is no doubt about that. From our point of view the important thing is that the funding is provided by the governments to enable this work to occur swiftly.

We have in the past provided advice to the government and land manager - and it will be our intention to do the same again - about the coupes on that schedule and alternative options for coupes on the schedule if there are any particularly problematic coupes. We would want to provide advice on how they can do that, schedule in a way that creates the least amount of problems. It is clear we are signed up to the agreement, we have acknowledged and recognised in the agreement there is a transitional time period and we will clearly support and recognise those practical implementation issues and explain that through. We have explained that through with our membership and the broader environment movement.

**Mr WILKINSON** - Durability is one of the real issues at the moment. Nobody trusts anybody, it would seem, so what are you going to do in relation to those people that may protest? We can't stop protests, I accept that, but what is Environment Tasmania going to do if those protests occur in those areas that we have been talking about?

**Mr SKILLERN** - Environment Tasmania signed up to this agreement and as an organisation we thought long and hard before we did that. Whenever you sign such an agreement there are substantial responsibilities that go with it. It is not just a piece of paper that you put your name to, some sort of political point scoring. It has been a difficult process, as Phil has outlined through this whole process. As I mentioned in my opening statements it has been a difficult process.

Our role as far as other conservation groups are concerned or other groups is to attempt to provide leadership. No-one controls their ability to protest but our role is to provide leadership and to emphasise the importance of this agreement. As Phil has previously

said - and I alluded to again in my opening statement - that is what we have been doing for three years. The blunt reality is that, by and large, we have been successful but there are elements that will, no matter what happens, decide to go their own way; that is the truth.

**Mr WILKINSON** - What are we going to do about it? That is what I am asking. I know you are saying you will provide leadership. I accept that but will you be out there? You are saying you are a signatory to this agreement, you accept that this has to happen, this was part of the agreement, and you would support what is occurring.

**Mr SKILLERN** - I think Phil and I have both said that we will and, as I have just said, we signed up to this agreement as an organisation. We have a responsibility and that, as you have just outlined very eloquently, is our responsibility to do that.

**Mrs TAYLOR** - Supplementary to that then, why do you have on your window advertising, 'training on forest protests'?

**Mr SKILLERN** - I think that is a question for Vica.

**Dr PULLINGER** - I do not think -

**Mr SKILLERN** - We do not have it.

**Dr PULLINGER** - We do not have a window with -

**Mrs TAYLOR** - Oh no, it is the Wilderness Society, I am sorry.

**Dr PULLINGER** - The other point I was just going to make was just a reference to that fact that there are precedents in other places for this sort of a process and this sort of an agreement. There was a multi-stakeholder agreement over forests in Queensland, the South-East Queensland Forests Agreement in 1999.

In the early 1990s in New Zealand there was a multi-stakeholder agreement between the forestry industry and environment groups and that had as much bitterness and acrimony and protests as here. Similarly, the Great Bear Rainforest in British Columbia was a multi-stakeholder agreement between environment groups and industry which was signed in 2009. They had the same sorts of conflict, aggro, and so forth that has gone on in Tasmania.

If you look at some of those examples, the thing that is a marker of success is groups on either side, playing a leadership role, leading the way and getting the big boulder of momentum rolling down the mountain in support of the agreement. We will have a few problems if there are delays and there is uncertainty and it is not clear the direction we are all going. I have confidence that if the agreement is implemented and we can get that boulder rolling down the mountain there will be the momentum that delivered successful outcomes in other areas.

**Mr WILKINSON** - I am not trying to gag protests at all but there are people out there - and I know Bob Brown has made a comment in the paper. Whether what he said in the paper is correct or not, I do not know, but the paper printed the comment as saying they are not

going to be gagged, or words to that effect. It certainly implied that. Likewise, Christine Milne and other people who have come out, as you know - for example, a Huon Valley environmental group, Still Wild Still Threatened. What assistance can you give to this agreement to ensure that they are not going to trash the market?

**Dr PULLINGER** - There are a couple of things here in terms of the question about the market. In the first instance, we have signed up to the agreement and we are absolutely going to support it publicly and proactively. We are also committed to supporting the agreement and its outcomes in markets for forest products. That is clause 2 of the agreement, one of the commitments we signed up to. That is something that is going to be really important for the industry, in the domestic market in Australia. You have seen companies like K&D, Bunnings and Harvey Norman say that they support the agreement and its outcomes. Similarly, this is in the international marketplace as well.

The other thing that is really important for the industry is the process that is embedded in the agreement that it is not just about signing the agreement today, there is an ongoing mechanism for dialogue. That is critically important, that stakeholder council. There will be implementation problems and concerns and issues here and there along the way, that is inevitable. But we have a good mechanism now to bring those concerns to the table and work it through and try to resolve them as opposed to, in the past, where we have been at loggerheads. That is also critically important.

Also important and a big step that the industry has taken is to go on a path called SFC certification, which is a critical step for them in the marketplace as well.

**Mr WILKINSON** - What are you going to do with people who are going to go out there and actively try to cut the legs from under this agreement by going to markets and saying, this is an area which is reserved, we don't believe you should be accepting the timber, it is dirty timber, even though clause 9 says that it can be logged at first in order to wait for the transitions to take place?

**Dr PULLINGER** - What we are in the process of doing at the moment is to provide a communiqué to market. We have done that in the past to say this is the agreement, this is where we are at, where we are up to in the negotiations. That occurred a couple of times last year where we said we think this agreement has a real chance to deliver a sustainable and appropriate wood supply for the industry. The legislation is coming up and that is a critical step and we will be explaining that. We are putting together an update at the moment.

**Mr WILKINSON** - You would say it is not dirty wood?

**Dr PULLINGER** - Absolutely. If there are concerns that are coming back about the agreement or its implementation, we would explain the agreement and its intent and how it is meant to work.

**Mr WILKINSON** - The process encompassed by clause 9 is designed to deal with the adequate supply of special species timbers. Do you accept that the current Forestry Tasmania special timbers strategy of 2010 provides for 12 500 cubic metres of special species timbers each year?

**Dr PULLINGER** - We have heard that is the aim or goal of the strategy.

**Mr WILKINSON** - In the event that the areas identified by the TFA do not reach the level, what steps does ET propose to ensure that those supply levels can be met? For example, it could be supply from within the reserved forest area, reduction in reserves outcome?

**Dr PULLINGER** - The specialty timber issue has been a very difficult one in the negotiation process. It is clearly recognised from us that the specialty timber and craft sector is critically important for Tasmania and a critically important part of the industry. On the other hand, there is also a balance there around the fact that there would be a big marketing challenge if you had that industry based around the logging of World Heritage rainforests, for example. It was a pulling point or tension in the negotiation process and a lot of back and forth. Where the signatories landed was in relation to clause 4C, that there will be a yield of specialty timber needed to meet the supplies for the industry and that yield will be determined by the process outlined in clause 9. Pending that determination the supply targets in the interim will be as per the FT special timbers strategy.

That is the interim target pending that review process, which needs to look at a whole range of factors. It needs to determine and do a lot more work on the long-term yields across a range of species types to determine ways of optimising the yield from the permanent production forests, bearing in mind this agreement still provides for more than 500 000 hectares of public native forest in production. It is to look at what special species timbers can be produced from those areas. There has been reasonable critique from a big chunk of the specialty timber sector in the past that we have not done things as well as we could have. There has been a lot of short-term management that needs to be fixed and we need to think and work a lot better about how we do that.

In addition to the 500 000 hectares of native forest in the permanent timber production zones there is also that special zone outlined in the agreement to be looked at. A lot of that area is very sensitive in terms of its nature conservation values and we were very sensitive in the negotiations because some of that stuff came up highly on the conservation assessment but because the industry pushed us very hard in the negotiations around specialty timber and gave us assurances that this zone and the way it was managed would be looked at very carefully, we were prepared to make that concession in that zone. There is a lot of work that needs to be done in the process.

**Mr WILKINSON** - In short, and please tell if I am wrong, you are saying you accept the 12 500 cubic metres as supplied to you by Forestry Tasmania that was needed for specialty timbers. If that can't be taken from the zones for forest cutting, approximately 500 000-odd hectares, I think it is 32 per cent forestry that can be taken, because by this stage the state will be tied up with 68 per cent approximately. So the trees can be taken for specialty timbers outside that 32 per cent within the reserve zone for a short period of time to enable that 12 500 cubic metres to be taken.

**Dr PULLINGER** - I will just make sure you have not misunderstood my answer. That target in the Forestry Tasmania specialty timber strategy is a short-term target in lieu of having the chance to do a proper review with more data, as outlined in clause 9. I know FT is doing some work around the short-term supply requirements.

**Mr WILKINSON** - 'Short-term' meaning how long?

**Dr PULLINGER** - I think they are looking at the next 18 months to two years, perhaps even a bit longer, making sure they have enough coupes on their forward schedule to have confidence around that short-term supply arrangement whilst the more detailed long-term work, as outlined in clause 9, is done.

**Mr WILKINSON** - Do you accept, though, that in order for the specialty timber industry to continue, it certainly needs wood to the extent of 12 500 cubic metres, as I know has been looked at? Under the area that has been looked at previously, Mike Peterson, who is the specialist in relation to specialty timber areas, is saying that you can't get that now.

**Dr PULLINGER** - If you break up the different species that make up the 12 500 cubic metres, the lion's share of that is blackwood, which is 10 000 of the 12 500 cubic metres, or more than 80 per cent of the specialty timber supply. More than 95 per cent of blackwood forest is available for logging under this agreement. That is just an example. The tighter supply areas are around more modest volumes for myrtle, celery-top pine and sassafras.

**Mrs TAYLOR** - Celery-top is the top timber for boat building -

**Dr PULLINGER** - That is the one that boat builders have expressed concern about. My understanding is that FT is doing work at the moment around the forward logging schedule to be able to provide those targets or to meet a reasonable target in advance of the more detailed process to be worked through.

**Mr WILKINSON** - I take it that Environment Tasmania would not want those types of businesses to go out of business because that is the type of business that the environmental sector has been saying should be targeted in Tasmania for a number of years now.

**Dr PULLINGER** - That is right, but having said that, we also have a pretty strong critique about the way things have been done in the past which we would say is unsustainable. We would say large-scale logging of rainforests of World Heritage value is not sustainable and will not work as far as a brand and a sustainability argument for the industry is concerned. The burning and poor management practices need to be fixed up and we need to look through how we can do things a lot better in this review.

**CHAIR** - At this juncture, I indicate that I was of a mind to skip from this thread, because they are supplementaries, to give other members an opportunity to develop some of their own themes. I indicate to the committee that it seems pretty obvious that we are going to need ET back. Our proposal would be that we would be in a two-hour session, not this one hour, next time. It might be productive if we continue on this thread of and then talk as a committee later on about the process for addressing as many questions as we can.

**Dr GOODWIN** - What was the original question?

**Mr WILKINSON** - It was about wood supply and availability.

**CHAIR** - I have a supplementary on an issue Adriana went into in her question and Phil answered. Phil went down this path in terms of the IVG assessment of the values and you mentioned, Phil, that that process had taken account of international policy benchmarks; they were the words you used in terms of justifying the issues in that document. My question to you on that matter is what do you then say about the international benchmarks about reserves? Any graph we have looked at shows a comparison of countries across the world. I have forgotten the organisation which sets that benchmark or comments on the benchmark. Anyway, you're aware that Tasmania, in terms of comparison to any other country with regard to reservation of forests or its land mass is way in excess of anywhere else. What do you say to that in terms of an international policy benchmark for the reserves which we currently have?

**Dr PULLINGER** - Tasmania is fortunate enough to be endowed with significant areas of natural beauty on a national and international scale. That, to my view, is of great benefit to our state and it is something that we need to harness to our advantage.

We have done but this long-running wound is a problem that I think holds us back from the potential from the future that we do have. In relation to the national and international benchmarks, the expert group's assessment was that in a number of key criteria, we fell short. For example, even with some of the criteria set out in the RFA, there were failings and shortfalls in the reservation targets. I will not go into all the details of that, other than to refer back to those reports. They are all comprehensively documented in the reports. There are the 10 conservation criteria they assessed it against and they assessed it against the relevant national or international policy for benchmarking conservation.

As I said, we did table for the benefit of the committee our reports and the expert group reports and we have also just printed a shorter summary of some of the key findings that we would like to distribute to members at the end of the meeting, if that is okay.

**CHAIR** - So, Ivan, on that supplementary on the same thread.

**Mr DEAN** - You have referred to the 295 lots that are identified for future reserve land and I take it that you have viewed those and understand those 295 lot areas that have been identified for reserve. So you are saying that that fits the criteria or one of the 10 criteria, or some of the 10 criteria. My position here is, and I take this from questions brought to me by members of the community and the public, where they say that there is probably not a tree area in this state or in Australia that would not meet those criteria, or some of them.

What do you say to that? Have you picked out or identified with the areas that fit on more than one criterion? Could you explain that to me?

**Dr PULLINGER** - Again, it was not us who did the conservation audit. We prepared the case which is there and it was audited by the experts in the fields of those 10 criteria.

**Mr DEAN** - Who are the experts in the field?

**Dr PULLINGER** - I mentioned some of them. The full list and the authors of the reports are there; for example, Professor Bernie Mackey, Dr Michael Lockwood, Peter Hitchcock, a heritage expert, Professor Chris Johnson, Dr Menna Jones, who is an expert on the

Tasmanian devil. They were not blasé about their assessment. They ran the ruler over it and audited it in terms of how strongly it came up for the purpose of adding to the national reserve system.

**Mr DEAN** - What do you say about the proposition that has been raised by many members of public that there is probably not an area in Australia that would not fit some of the criteria somewhere?

**Dr PULLINGER** – Again, I point to some of the examples such as the forest along the border of the south-west world heritage area. This is not the stuff that you find anyone's backyard. You are talking about the tallest flowering plants on the planet - the tallest living organisms on the planet. They are areas of global significance.

The same is the case for the Tarkine; the same is the case for places the north-east highlands and the old growth forests and rainforests and the slopes of those mountains. They were found to be of national significance in terms of their conservation values.

These are areas of great importance on a national and an international level, and they are the benchmarks that the conservation experts measured these areas against.

**Mr DEAN** - The wording that follows in column 4 was interesting after all of these lot areas and the common comment made is:

A large natural area of land containing a representative or outstanding sample of a major national region, features or scenery.

And the other one that is very common is:

An area of land predominantly in a natural state.

So there are lots of plantation areas now that would fit that category as well.

**Dr PULLINGER** – The legislative drafters would be in a better placed to answer this question than me, but my understanding is that the way that that table has been laid out relates specifically to the structure of the Nature Conservation Act. Under the Nature Conservation Act, when you are proclaiming reserve, you specify a value and a purpose for the reserve. Those forms of words relate directly to that act, rather than necessarily the detail and conservation values that are contained in the expert assessments. It is a different thing. That data relate to the act and the process of proclaiming reserves under the act. The drafters, as I said, would be better placed for you to pin down the details of that, but the data in terms of the conservation values, why these areas are important, why they are important for threatened species, why they are nationally and internationally significant - that is contained in those expert reports. We have some more summarised versions, but the expert reports obviously go into a huge amount of detail and it depends on how much you want to go into the detail.

**Dr GOODWIN** - Chair, can I just jump in there just on that thread from Ivan's question because there is something that I raised yesterday -

**CHAIR** - Very quickly.

**Dr GOODWIN** - around whether it is possible to line up the information that you have about the values of those lots with the detail we have here, so that we actually know what the values of each lot are in terms of whether it has tall trees or it is threatened species habitat or whatever, so that we have a bit more detail around exactly what it is that is so special about those particular areas. I think the government were going to look into that.

**Dr PULLINGER** - Okay. Certainly we could assist with that process. It is a lot of work, as there is a huge amount of data in those expert reports, but I think it is valuable and we are certainly keen to provide assistance where we can with any of the particular lots if you have questions, 'What about this area here, what are the values, etcetera?'. We are happy to do what we can to provide assistance in that.

**Dr GOODWIN** - I think to provide some more transparency around the process is really important, particularly for members of the public and other stakeholders who are going to want to know answers to these questions about what is special about this particular lot.

**Dr PULLINGER** - Yes, that is right. I would also point out that some of this information is not new. As I pointed out in the opening response to this conservation assessment, underpinning these nominated reserves there has been 30 years' worth of work. We published a summary of that work in August 2011. The experts' conservation assessment was published early last year, which also includes a very helpful summary report and there were maps. The maps have essentially changed in that areas have been cut out of the maps, that is the change that has occurred. But other than that, the details in terms of the areas and conservation values have been on public record for quite a while.

**Dr GOODWIN** - It is just lining everything up to make it easier to just look at it and say, 'Well this is what the claims are about this particular lot as compared to this lot, which has different values. It's just making it a much easier process for everyone to actually comprehend.

**CHAIR** - Okay. It is a thread that Ivan was developing, so I gave you a supplementary to that.

**Mr GAFFNEY** - Just a question there because something Ivan said made me think that I am not understanding this or there is confusion. Ivan said that he believed that a plantation could conceivably be viewed as a natural state. I personally would not see -

**Mr DEAN** - That is not quite what I said, but *Hansard* will identify what I said.

**CHAIR** - Anyway continue on, Mike.

**Mr GAFFNEY** - That is what I thought you said.

**CHAIR** - You are seeking clarification; that is fine.

**Mr GAFFNEY** - You said that some people might say a plantation is a natural state. I would not say that is even close.

**Dr PULLINGER** - Certainly the experts would not say that as well. The experts when they did the audit said there are some disturbed areas in areas marked; there are some areas that will need some restoration works and certainly under the meaning of the act that will be clear in terms of the expert assistance.

**CHAIR** - We can clarify as well. Ivan will get another opportunity down the track. Greg, on that same subject?

**Mr HALL** - On the same subject, Dr Pullinger, as you recall, back when we had a committee on the transition of native forest harvesting impacts two years ago, we consistently asked for the definition of the HCV forest. I think we have that, as broad as it might be in detail. You talked about the fact that there had been disturbance in some of the areas which are now nominated, but I put it to you that there has probably been disturbance in most of those areas over time since white settlement. Aren't many of the critical values that you want already maintained in all of those previously disturbed production forests?

**Dr PULLINGER** - A couple of things. In terms of disturbance within the areas, I am pointing to a reference from the expert group reports. They did what they call a land satellite imagery assessment to look for disturbance within the areas and they audited the full reserve claim of 563 000 hectares and they said they had found that 5 per cent or approximately 28 000 hectares of the reserve area is either cleared plantation thinned and heavily disturbed or thinned and not heavily disturbed. That was their assessment on those areas. When we went through the negotiation process the environment groups prioritised removing areas from the reserve where there was disturbance or impacts on conservation values, so that number will be different now because we will have cut some of those areas out of the reserve map.

The other thing is a really important point that was made in one of the expert group's assessments. Bear in mind that they did a disturbance assessment across the public forest estate. The summary in conclusion said -

It is apparent that beyond the ENGO-proposed reserves, state forest land in Tasmania has been extensively logged and/or converted to plantation, with the result that much of the natural heritage values have been destroyed or severely degraded. The ENGO reserves have been found to mainly encapsulate most of the remaining intact forests. It follows that the ENGO-proposed reserves represent the last chance to address and protect many natural heritage values on forest and public land.

**Mr HALL** - If I take a case in point, Smoko Creek at the bottom of the Western Tiers, which I am familiar with, was a few years ago described by Kim Booth in the *Examiner* as having all its natural values totally trashed and destroyed by Forestry Tasmania, yet that area is now HCV. What do you say to that? That has happened in quite a few areas. They have been clear-felled, they are regenerated forests and you are saying those values are now paramount and they should be locked up again.

**Dr PULLINGER** - There is some disturbance within the reserves and some history of logging in some of the reserve areas. It is the diverse nature of the logging operations that there have been some examples that you have pointed to and more recent

examples where there are some logging coupes in those areas and there is a case for restoration in some parts of that reserve claim.

**Mr HALL** - You want to achieve these conservation outcomes by locking up a very large tranche of land; that is your desire. Just how are you going to do it? How are those reserves going to be managed for conservation values? I don't know whether you have read Bill Gammage's book recently but perhaps you need to read it. It talks about how the Aborigines did all those things but that is another story. It is a very important point for the people of Tasmania. It is all very well to say we will have 500 000 hectares in reserve for conservation purposes, but if that is not managed properly, how are those biological and ecological outcomes going to be achieved?

**Dr PULLINGER** - That is a really good point. Our view is that these areas should be managed by the Parks and Wildlife Service. It is critical that the Parks and Wildlife Service is well resourced for the management of those areas for the specific values and purposes they are protected for, so in some cases that may very well be national park protection and in others it may be a different conservation tenure and management plan. We were anxious about the resourcing provided for Parks for the management of the new reserves and we certainly welcomed the increase in that perpetuity funding provided for the management of those areas. They will need to be managed to ensure the protection of those outstanding natural values, and that would be the responsibility of Parks.

**Mr HALL** - Chair, there are several questions I would like to drill down into but we have not the time now.

**CHAIR** - No, we haven't.

**Mr GAFFNEY** - I was just going to ask was that a supplementary as I thought management was a different issue.

**Mr HALL** - Of course it was a supplementary.

**Mr GAFFNEY** - I just wanted to know whether we were still doing a supplementary.

**CHAIR** - If it was not, Mike, I would have intervened because it was flowing from Adriana's question about HCV and there still being sufficient supply. HCV was Adriana's primary question. She went then to sufficient supply as a result of the assessments of HCV. My judgment is that Greg's supplementary was going down that path of HCV, the definitions, the determination.

For the moment then, Russell, Phil and Peter, thank you. As I indicated earlier, we probably would want a two-hour session next week if you are available.

**THE WITNESSES WITHDREW.**

**Mr MICHAEL OLIVER BAYLEY**, CAMPAIGN DIRECTOR, WILDERNESS SOCIETY OF TASMANIA WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Members will reconvene and so for the purposes of our technical people we are back in session. Vica, welcome to this process. You are well aware of parliamentary committee procedures, I won't go through that preliminary information. Can we have you commence with your submission to the committee, please.

**Mr BAYLEY** - Good morning, members. Thank you for the invitation to appear. I am not going to bore you with a long introduction. We have appeared before you before, you have read the agreement, you have read the statement of principles and so I will just make a few introductory remarks and then we are happy to throw straight into questions, if that is all right.

You would be aware obviously via our representations to you prior to your debate and consideration of the legislation that we were very supportive of the rapid implementation of our agreement, the Tasmanian Forest Agreement 2012 via the legislation that was on the table. We were very disappointed by the establishment of this committee and the delays and potential ramifications those may have, not only for the agreement we have struck but also across the industry and so forth. We are currently doing everything we can to ensure that those ramifications don't bear fruit. We are talking to banks, talking to markets and so forth to try to steady the waters and give you the time to go through this process. In saying that, I also want to reiterate that while we were disappointed, we absolutely accept the role of the Legislative Council, the democratic processes established in our parliament and the legitimacy of this committee, and we participate accordingly. We absolutely engage in this in an open, honest and respectful way because this is how you have chosen to investigate this legislation and as such we will be making a joint ENGO written submission to this committee by the end of the week, and I was going to request another opportunity to brief the committee, but I believe that that is almost like a given now and I think we will be coming back again next week.

**CHAIR** - You can actually announce, though, for the benefit of the members that you will be coming back next week for a couple of hours.

**Mr BAYLEY** - I also just want to acknowledge as well, as Jim did yesterday, the fire situation. Both conservationists and logging industry supporters have both lost their homes in this fire, have fought this fire, have concerns about friends and family in this fire and it is truly a concerning situation across Tasmania. I want to acknowledge everybody who contributed to not only the fight against the fire but the recovery effort, and particularly I made a call on Saturday and as an ENGO, as a participant in this process, also extend our thoughts to Ike Kelly, who lost his mill in this fire and we hope that this process can support him in whatever way in spite of his loss. I want to make that acknowledgement.

I don't need to introduce the Wilderness Society at length to you. We are a national body borne out of Tasmania, at the forefront of the conflict and the fight over Tasmania's forests for the last 30-plus years so, from our perspective, a very strong stakeholder in this process and, as a result, one of the organisations that the industry approached in

order to try to seek a resolution to this conflict. We take our responsibility, as part of that conflict, very seriously and, as a result, we take our role in this negotiation and the agreement we have signed incredibly seriously and, as we've represented to you on numerous occasions, and my colleague Lyndon Schneiders has represented to you numerous times, we absolutely stand by this agreement. We have signed it and we will back it in all the way.

I want to take a moment to articulate that, in my view, this is an incredibly unique process. This is a consensus-based, collaborative process where we have sought to resolve conflict by dialogue, by trying to walk in each others' shoes, trying to understand each others' pressure points, each others' concerns and so forth and, for me, that has been an incredibly challenging personal experience but also an incredibly rewarding experience. I am a Tasmanian; I grew up in Tasmania from a farming family in south-east Tasmania so I have contacts, friends, family and acquaintances in the logging industry so I do not believe that I was immune to some of the challenges but this has given a new level of understanding and appreciation. That is why we embrace this opportunity because, as we heard from the contractors yesterday, there is an incredibly serious nature to this in terms of what happens to people and I want to come back to that point.

I have heard many or some of you in some of your speeches in the debate refer to past processes - the Greenies will just sign this agreement and then walk away. I want to represent to members the fact that we have never before had this situation where environment groups have actually signed an agreement which we are claiming and calling as a pathway to a resolution. That had never happened. It did not happen under Helsham. Not only was the community split under Helsham; the actual Helsham inquiry panel were split and there was a minority report. It did not happen under the Salamanca agreement; the Salamanca agreement was environment groups signing an agreement with industry to go into a consensus-based negotiation. Industry ultimately used their numbers to vote through 4 000 hectares of reserves and, of course, as I hope you would understand, environment groups didn't accept that as a resolution. The RFA is an agreement between state and federal governments and that always attracted some criticism from environment groups. Similarly, the Tasmanian Community Forest Agreement, which is a supplementary to the RFA, was a negotiation between state and federal governments, the Lennon and Howard governments. It did not deliver everything that conservation groups had asked for on public land.

We have never had this unique situation before. As the contractors said yesterday, the imperative for an agreement and the imperative for implementing this agreement is very real and is very personal. I have brought in a front page of the *Mercury* which says, 'Loggers left out on a limb'; this could be a page from any time over the last two years. This is all about the contractors yet this is a year to the day after the signing of the Tasmanian Community Forest Agreement. This is the last politically imposed balance, the last politically imposed resolution. In it, it has the fact that contractors are getting squeezed, as we heard yesterday from the contractors.

Tasmanian timber workers and forest contractors suffering the pain of an industry slump will not be offered financial assistance or restructure options by the federal or state governments. Federal forestry minister, Eric

Abetz, said yesterday that while he had great sympathy for loggers and their families, there was little his government could do.[**To be confirmed.**]

What we are trying to do is move beyond a politically imposed solution; trying to deliver a consensus solution that can be embraced by all and we will back that in. I raise this because there were questions yesterday of ACF about jobs. We are an environment group; obviously our biggest priority is protecting the environment. I am happy to talk more about that but that, as it stands at the moment, is in secure conservation reserves that are passed through the parliament.

We support all the outcomes of the agreement, including all the industry outcomes and human outcomes.

I believe very firmly that change has been coming to the industry since well before 2006; it has already come. We have several choices. We can let change rip through our communities, let it go unsupported and our governments can say there is very little we can do, or we can try to manage that change, support people through it and try to direct that change, and that is what I believe the Tasmanian Forest Agreement is trying to do.

The Wilderness Society has a set of organisational values, many of which are related to the environment and the power of people to create change, but one of them is compassion. Even going back to the very start of this process when asked on ABC radio, 'How do you want forestry workers to be treated by this process?', my answer was, 'With compassion'. As a Tasmanian and a member of the community I believe we need to do that. We need to support these people through change and make sure they have opportunities to change and my view is that the only way forward is via the Tasmanian Forest Agreement, otherwise we are going to get unsupported, unstructured change, and I believe the ramifications of that will be all negative from a Tasmanian community perspective.

Paul, you mentioned that you are the last hurdle to getting this agreement up and I absolutely agree with that. There have been oodles of hurdles along the last two-and-a-half to three years, and one of the greatest we thought was reaching agreement. We have done that and now it is before you. The government has tried to translate that into legislation, but you are the last hurdle. I am here today in my capacity as a signatory. I have heard your concerns and I have tried to analyse them. I am here to try to respond to them so we secure your vote and get your support in implementing our agreement.

**CHAIR** - My first question to you was going to be whether there is unequivocal support for clear-fell burning, harvesting methods and cable logging, but I won't go down that path because you reiterated that you are backing this agreement to the hilt, which includes those components. Am I right in suggesting that? You didn't want to go into any detail.

**Mr BAYLEY** - I will respond to that because I heard the question yesterday. We are an environment group so protecting reserves are our priority and we believe that will secure conservation reserves that are now before you in the form of a protection order, but we also want to see complementary off-reserve management. I think there is mutual interest in that off-reserve management being as good as possible from an environmental, industry and market perspective. We have signed a commitment to 137 000 cubic metres of high-quality sawlog and we want that to be supplied in a sustainable way. We want

that to have the highest possible standards for a whole range of reasons. We don't like cable logging necessarily, we certainly don't like subsidisation of cable logging, but we have signed that agreement.

The evidence before the signatories from Forestry Tasmania is that there is alternative wood to that supplied by cable harvesting. There is absolutely sufficient in-spec high-quality sawlog according to the modelling provided by Forestry Tasmania to provide more than 137 000 cubic metres of sawlog for sawmills, but at this point the industry is refusing to accept that. That is their prerogative, but there are alternative wood supplies. Also, this is not a blank cheque; we have not signed a blank cheque. If we have concerns and problems with cable harvesting or clear-felling we have a right and a responsibility to raise those concerns, but via this agreement we have decided that we won't do it by media release or by individual representation to government to try to change the law. We will do it via dispute resolution via the signatories' internal process. We are genuinely trying to change the paradigm here where we do not run straight to the media to try to get our way; we try to continue the paradigm we have created in articulating our concerns, understanding each others' issues and trying to resolve them in a collaborative and consensus-based way. I hope that helps.

**CHAIR** - I was not going to go that far with the question. The World Heritage nomination is for about 125 000 hectares, which is a significant component of this process. Within that area are you aware of prospectivity components, and if so, how expansive are they?

**Mr BAYLEY** - Ross Large did some work for the IVG report that demonstrated the prospectivity across the state. There is a level of analysis that sits under that report that, in my view, demonstrates that some of the high prospectivity zones that Ross Large has identified, if you unpack them from a weighted to a different kind of indexing, do not come up as high. I am happy to provide additional information about that.

**CHAIR** - A bit like HCV.

**Mr BAYLEY** - Possibly a bit like your analysis of HCV, absolutely. The other issue is things such as prospectivity licences across those areas. Our analysis of the prospectivity licences across that area is that there are not very many - about eight.

**Ms FORREST** - Are you are talking about exploration licences?

**Mr BAYLEY** - Yes. Some of them are huge and the intersection with the World Heritage Area is a very tiny proportion. Some have expired, some are pending renewal, some are owned by companies in liquidation, and some of those companies were inspired to take out licences because of a message from God, which is the situation with Great Southern Land.

Our analysis around the World Heritage nomination is that prospectivity specifically around the minor extensions to the World Heritage Area is not a real-world issue. There are areas of Ross Large's higher prospectivity that are under parts of the Great Western Tiers and beyond that are under several hundred metres of dolerite. There are no exploration licences over those areas and there is a reason for that. It is because while it may show up as high prospectivity, people have tried and no-one has taken it up.

My view in terms of prospectivity and so forth is that it is not a real-world issue. There are potentially a couple of small compensable licences around quarrying that might be very easily dealt with, but it is not a real-world issue in terms of the minor extensions to the World Heritage nomination, remembering of course that conservation groups have national and World Heritage aspirations around places like the Tarkine. I am happy to acknowledge upfront that there are real-world conflicts around that aspiration and the mining industry's aspiration, but you will also note that the recommendation around that nomination is not part of this agreement.

**CHAIR** - Thanks, Vica.

**Mr HALL** - Vica, I want to explore a little bit with the durability matters again. You just made the comment that you would back it in all the way and I accept what you are saying on the surface of that, but if I could put it this way, we have a couple of dimensions here. We have one dimension being smaller environmental groups like the Huon Valley Environment Group, Groundswell, Go Green etcetera in Tasmania, and you think you will be able to give them a good belt around the ears and they will all go away. The other dimension is for a global perspective and that is Markets for Change, and we have already had Peg Putt in here to give evidence and she was, shall I say, not forthcoming in saying that would never be any further action in terms of our forests - and you have Bob Brown there. Also, I suppose, in terms of global markets, not only in forestry products but agricultural commodities, mineral commodities, all that sort of thing, there are groups like Markets for Change who campaign using social media and all the rest of it very powerfully to stop what is happening. My question is how are going to control that? Really, we are small fry here and if those people decide to go down that track, where do we stand? Are you going to have any control over them?

**Mr BAYLEY** - To my mind this is not about control, and I certainly am not planning on belting anyone around the ears. This is not what this is about, in my view. We have signed an agreement. There is absolutely nothing in the agreement that prohibits protests. There is no impact on freedom of speech, freedom of protest in this.

There has been discussion in the past about new laws, about penalising tax deductibility and all that sort of stuff, but it is not in there. There is nothing about how we are going to coerce people not to protest. I would fully support people's right to protest. It has been an important part of what the Wilderness Society has done and indeed is still doing around the country so I am never going to step away from people's right to protest but we should not confuse right to protest for licence to protest or indeed need to protest.

My view is protest has always been associated with a real motivation and a real need about what is happening to the forests, predominantly these forests that are now before you to be reserved - places like the Weld, the Styx, the Upper Florentine, the Tarkine. You remove the logging impetus on those areas and my very strong view is you remove the impetus to protest so I am not at all about coercing or forcing or controlling people.

I will sit down with anybody who wants to talk to me about this agreement - why I have been prepared to sign it, why I am not going to go and protest anymore about forests but there are people on both sides of the debate, as we have heard many times, who do not or will not support this.

In many ways they are the two sides of the same coin and I believe they have a responsibility to look their constituents in the eye, or if they are environmentalists, to look my colleagues in the eye and the small groups around the state. A logger like George Harriss has to look his colleagues in the eye and ask what is their real world alternative plan. What is their alternative plan to deliver forest reserves, what is their alternative plan to stabilise and then ultimately grow this industry?

**Mr HALL** - I hear what you are saying but how are you going to control somebody like Markets for Change if they go off on a tangent and decide to do something that could destroy our markets overnight?

**Mr BAYLEY** - I am not going to try to control anybody. The thing we have made very clear both in the agreement to the signatories and I believe to you as a committee in presentations prior is that we will make representations to the market as well. We have already and we will continue to do so provided the agreement is implemented. Provided the steps and the outcomes are implemented we are willing to take some pretty unprecedented steps from a Tasmanian perspective and talk to the marketplace and explain the agreement to them but again that is not a blank cheque and we really need to see the outcomes delivered.

I am not going to kid you, Greg, I am not going to try to control anyone. I will have a public debate; I will have a private debate. I will make an alternative representation but I am not going to try to subvert or control somebody's right to freedom of speech or to freedom of protest but that, in my view, needs to have a legitimate basis to be a legitimate protest.

**Mr HALL** - Can you absolutely guarantee that you or the Wilderness Society won't ever again campaign for forest lockups in Tasmania if this deal goes ahead?

**Mr BAYLEY** - That is what this deal is all about.

**Mr HALL** - We can't compete.

**Mr BAYLEY** - I won't guarantee we won't raise some concerns about how things are done but we will do them via this agreement, via the avenues established in this agreement. That is things like the signatories' group, things like the dispute resolution mechanism but if your question is more about will you go into international markets like the Japanese woodchip market such as we did with Gunns and argue for more forest reservation on public land, well then clearly no. We are signing this agreement and this, as far as we are concerned, does represent the basis for a resolution.

**Mr HALL** - I think Mr Schneider talked to us in the briefings and mentioned that he was proud to have been an architect of doing what he did there.

**Mr BAYLEY** - This is a pretty unique situation that has never happened in Tasmania. It has happened in other parts of the world. I think the bill went through several times and there is progress in that space in some of those areas but it has never before happened in Tasmania so yes, of course we are proud. No-one thought we could do it. I don't think many of you thought we could do it. I don't think many others in the Tasmanian community thought we could compromise enough, Terry could compromise enough and

we could land in the middle. This is before you, this is what we are talking to, this is what we are supporting and, as Paul mentioned, you are the last hurdle so yes, I am happy to address your concerns.

**CHAIR** - Mr Mulder, on durability. Let us keep it fairly tight.

**Mr MULDER** - You obviously do not share in this freedom of speech, Mr Chair.

*Laughter.*

**Mr MULDER** - Could I start by saying the vision for the forest, this is this thing you are going to back all the way - competitive forest product sector with brand in domestic and international markets, a strong competitive forest sector on private and publicly-owned native forests and plantations, a permanent state forest production estate defined by the Tasmanian Forest Agreement, et cetera; securely managed for wood production according to recognised sustainability standards.

My understanding is that to deliver those sorts of visions for the industry the markets are requiring basically the Forest Stewardship Council certification. That is the real area where this agreement can come undone. We will always have forests in the protests and we have even heard from contractors that we accept that is going to happen and it is just a cost of doing business sometimes. The disruption into the foreign markets can be done with a counter-campaign but a lot of that will be based around whether or not the product coming out of the permanent production zones do achieve FSC certification.

In backing this agreement all the way, is the Wilderness Society saying that they will back things like the practices that are going to occur in the short term in those forest production zones, that that will be okay in terms of the forest security code? In other words, you are not going to go and undermine the agreement when we go into the FSC process by saying that they are unacceptable forest practices? You have signed up to them.

**Mr BAYLEY** - We are not, that is right. We have signed up to this agreement. We think it doesn't preclude working within the process to improve forest practices, to change forest practices, to minimise those impacts, to maximise sustainability or, indeed -

**Mr MULDER** - That is not my point. The point is, is the Wilderness Society -

**Mr BAYLEY** - If you are asking whether we are going to -

**Mr MULDER** - If you were to go the Forestry Stewardship Council and say, 'No, don't give those forests certification because these practices we don't like', that would be undermining the agreement and would be a case of failing to support it and durability.

**Mr BAYLEY** - It would absolutely be a breach of the agreement and that is not something that we would propose to do.

**Ms FORREST** - This will put something on the record that was not on the record when Lyndon Schneider was in the briefings as well previously dealing with the bill. He talked about an art of compromise in the agreement. So what did the Wilderness Society

ENGOS give up? You started off with your two ambit claims here and here and you got to here or somewhere there. What was given up by the ENGOS?

**Mr BAYLEY** - I am happy to go through that. The afternoon we signed the agreement at a press conference out the front of Parliament House the media were pursuing Terry in particular about him selling out his constituents and who compromised more. The response is that this is not a compromise competition, it is a successful negotiation - and it is one. It is about what you can achieve as opposed to what you don't achieve and we have had a successful negotiation. We all have something that we have achieved by this agreement that we were willing to take to our constituents and we have taken to our constituents and they back us in around that.

To go to the specifics of your question, what have we given up, we have given up some cold hard hectares of what we did consider a part of a legitimate conservation claim. That is not easy as a conservation group but it is weighed up against the real world situation of what is the alternative pathway to getting a comprehensive conservation outcome.

**Ms FORREST** - What sort of numbers of hectares are we talking about?

**Mr BAYLEY** - In the order of 100 000 hectares from our original claims. In that context this is a comprehensive conservation outcome but it is not everything that we wanted in the first place. We have given up the claim to a rapid transition out of native forest logging, aside from speciality timber. That was our original plan that this needs to be a rapid transition, it needs to be over the course of a couple of years, five years or even 10 years and clearly the contract period up until 2027 at the very least is being honoured by this and by a vision that we support an ongoing native forest industry into the future. We are effectively giving up our campaigns and what that means in ongoing pressure on the industry and ongoing opportunities to deliver conservation gains in that space.

They are three tangible things we are giving up. I would contend that there are some very real organisational and personal things we're giving up as well, which is more that we are giving in terms of active support for the industry as an industry logging native forests. We are supporting more money going to the industry and that is quite difficult for some of our people and ourselves to swallow given the many hundreds of millions of dollars that have supported this industry in the past in these partial political fixes. We are absolutely supporting money to support people through this change. We are supporting additional investment in improving the existing plantation stake, rolling over money that has already been spent on putting nitens in the ground so that it is not a pulp wood log, it becomes a sawlog into the future.

There are some cold, hard hectares and other issues we have given up. We are giving our support for a whole bunch of things that are very challenging for us as an environment group with such a long history in this debate, and we have come under significant criticism for doing so.

**Ms FORREST** - That leads me to the durability question again. I think it is important to get those things on the record as to what has been given on your side. We heard from Terry what was given on their side - I hate talking about sides, but it is what it is. One of the requirements of the agreement, as you have alluded to and articulated quite well, is the

requirement to be proactive in the marketplaces. We have had this period of time that has in some respects tested the durability already and the legislation has been delayed. You would be well aware of the issues of Ta Ann and you were here when Ta Ann briefed us, along with other members of the signatories. What have you done, what will you continue to do, particularly if the things that are being given up on the ENGOs side start to rear their heads a bit? I am asking what you have done already so that there is some goodwill and durability here. What do you see as the proactive part of your requirement under those sections of the agreement?

**Mr BAYLEY** - We have made a number of public statements. Going back even before the signing of the agreement, around Ta Ann for example, we acknowledge the legitimacy of Ta Ann and the fact they are going to be a part of the future forestry industry landscape in Tasmania. We have written letters to Ta Ann's Japanese customers asking them very clearly to hold tight, not to cancel any contracts that would adversely affect Tasmanian companies. That is in the context of the negotiation. That has always been about 'there is a negotiation happening; there is this great opportunity; we are not there yet but hold tight over that period'. We will continue to do that kind of thing throughout this extended period of non-implementation of the agreement and the legislation. We will absolutely continue to reassure not only international markets but domestic markets that there is this agreement; it offers great opportunities; these are the conservation outcomes; these are the industry outcomes; these are the community outcomes, and we ask you to hold tight until we get a decision one way or the other as to whether the agreement is going to be implemented.

**Ms FORREST** - This might have been touched on previously, the amendments the government provided yesterday. I assume you, like us, haven't had time to go through them and look at them in context with the bill as it sits. We know you are coming back this week but I am hoping you will be able to provide some further considered opinion then. Also, the other proposed amendments, things around sovereign risk issues, the change to the Forest Practices Authority and any other durability issues including clause 42 of the agreement - we will need feedback from you as one of the ENGO signatories on those standards as well. Do you have a gut feeling about the government's position at this stage?

**Mr BAYLEY** - Just a bit more broadly in terms of the amendments, we absolutely appreciate the opportunity to come back with some considered approach. We absolutely support consultation with all the signatories about any proposed amendments that the members have. Whether that is collectively or individually, we absolutely support that. We will give you some considered feedback on that.

Around the government amendments, we have not fully considered them and we have not also discussed them as a signatories group or had a briefing from government, so what I say is in the context of that. At a first read, I am not hugely disturbed by them, I guess. I feel a little bit like the government cannot win one way or another, although they could have consulted us on these amendments and it would have been good to have that. In terms of the committee process, I feel as if the government is being criticised for putting them on the table prior to this committee for this committee to consider and all the witnesses to consider. What is the alternative? Put them on the table at the end of this committee process or half-way through the committee process? Potentially they get the same level of criticism.

**Ms FORREST** - Damned if you do, damned if you don't.

**Mr BAYLEY** - That's right. In terms of at a first read of the amendments in terms of the protection order being embedded into the legislation as opposed to the legislation setting up the instrument and it being a subsequent consideration of parliament - and we need to discuss this more broadly - but I think that is a reflection or a reaction to the now-delayed timeline for the implementation of the agreement. I do look forward to discussing that. Maybe we have a difference of opinion with Terry about that and the concerns over that, but look forward to having that conversation with Terry this afternoon, and trying to understand, as we have always done, each other's positions.

At face value, we will take them on board and I think they are an honest reaction from the government to the time delays that the establishment and the considerations of this committee have created in a real world situation for the implementation of the Tasmanian Forest Agreement. In terms of any disagreement about the view of these amendments and what they mean for our agreement, etcetera, I do hope you note we will take them into a space where we are discussing them actively this afternoon, and working out our position on them. It is not a tit-for-tat in the media about these issues. We are going to go in and we are going to talk about them. We are going to work out how we are going to deal with them as a group and go from there.

**Mrs ARMITAGE** - Going back a little bit to the durability and something that Greg said. I just want to be sure in my own mind that you have not watered down your support. Lyndon mentioned, and of course it wasn't on *Hansard*, with regard to process by splinter groups like Markets for Change and others, and when you were asked by Greg I think you, and obviously you might confirm, that you were saying you are not going to go out there actively following these groups around and saying, 'Hey, you cannot do this.' Whereas Lyndon said - and I remember him quite clearly sitting over here and saying, 'If we have to follow them around the world, we will'. To me, that made a difference to the extent that you guys were really serious about this that if splinter groups like Markets for Change or the Huon Valley whatever, were out there doing the wrong thing - and I appreciate the fact that you have written letters of support to the Japanese markets and that is great - but Lyndon very clearly said, 'We will do whatever we have to do to stop any of these groups destroying this'. I am just asking you, but I felt when you answered Greg you sort of said, 'We are going to support what we have here, but we are not going to actively go out and' -

**Mr BAYLEY** - I guess it is down to saying, 'Don't mistake an attempt to control someone with an attempt to present an alternative opinion'. I am not going to try to seek to control Jenny or Markets for Change or anyone like that; that is not my job. In my view, it is perfectly their right to do what they are doing should they choose. It just happens to be counter to the agreement that I have signed, to the direction that I have signed -

**Mrs ARMITAGE** - So you have a different opinion to Lyndon who said he would go out and do it.

**Mr BAYLEY** - No, not at all. I will go out and do it, but I will present my view as to perhaps why they are taking the wrong tack, and why this agreement is a better approach than the one that they were advocating. That is what I will be doing. I am not going to

try to seek to squash their ability or their right or their voice. We have publicly backed the agreement and companies associated with the agreement. If it means accompanying people to meetings and so forth, then absolutely we will do that.

**Mrs ARMITAGE** - So if you need to follow them around the world, in Lyndon's words, you will do it?

**Mr BAYLEY** - Yes, we will do it but I am absolutely hopeful that is not going to be the case. Let us get it clear that my best case scenario is that there does not have to be a conflict within the environment movement over the benefits or otherwise of this agreement. I want to get into a position where perhaps we have convinced all of our colleagues that this is the only way forward. What is your alternative, therefore this is the only way forward and we do not have to get into that situation. I do not want to follow anyone around the world to counter them but we are committed to this agreement. We have signed this agreement, we have demonstrated our commitment to it, we have written to people around the world and, yes, we will continue to do that.

**Mrs ARMITAGE** - Thank you.

**Ms RATTRAY** - In the clause 10 of the agreement it talks about the transitional period to involve some short-term logging. Can I have your assessment of short-term? There were a number of figures that Phil said - two or three years.

**Mr BAYLEY** - In my view it is 18 months absolute maximum. But in our view, we have agreed, as Phil said, to potential need for ongoing logging inside the reserve area until Forestry Tasmania turn around the [inaudible], build the roads, do the forest practices plans and make sure that there is a logging schedule that is created that provides wood for the industry from outside the reserved area. We have been grappling with this situation for the last two and a half years. This is moratorium squared. This is trying to do the moratorium again, it is just that we are getting far more process.

My aspiration is that there are as few coupes as possible, preferably zero, and if there are coupes it is for as short a period as possible. We have signed up and we have accepted that in a real world that is probably not going to be the case and we are going to work constructively with Forestry Tasmania and with the other signatories to make sure that it is minimised. Not only that the number is minimised but also where they are, what is the impact on elements of our claim, whether it is World Heritage or whether it is particular sensitive conservation areas and so forth, and try to triage some of those coupes so that the impact is minimised as much as possible.

**Ms RATTRAY** - I know that you have not had a chance to look at the amendments and you will be doing that at a later time. Can I also flag that clause 12 of the agreement talks about the signatories working with government and Forestry Tasmania, including the chair of the board, to develop an agreed transitional schedule prior to the issuing of a protection order. We know what will change if the amendments are accepted. That, to me, could cause an issue because you will not have that time to work together. I am looking for some feedback for that for perhaps next time.

**Mr BAYLEY** - We have received a schedule from Forestry Tasmania - 18 months worth of logging and 50-odd coupes -

**Ms RATTRAY** - Fifty-two.

**Mr BAYLEY** - That is a work in progress. We want to get that down to zero in an ideal world. That might be aspirational but that is what we want to do. You have however many weeks of deliberations here. You do not sit again until March. A protection order, at best, is going to be considered in March. We are working on this as we speak; there are people working on this. We will continue to work as signatories and with Forestry Tasmania to make that as small as possible. Let me reiterate, Tania, that is in everybody's interests. It is in our interest because it means that the reserve area has as minimal impact as possible, but it is in the industry's interests as well because they are not receiving controversial wood that is inside the agreed reserve area anymore. It is in everybody's interests that that happens as soon as possible because the quicker we can do that, the quicker we can get the legislation passed and the protection order in and the coupes finished in the proposed reserve areas, the better for everybody. That gives us the first real run at clear air in terms of no logging going on in the contended forest areas. That is at a point where we can begin to genuinely say this is delivering the conservation outcomes we signed up to.

**Ms FORREST** - That was one of the agreements with Ta Ann in staying in Tasmania, a range of things including FT not imposing a paid provision if they could have. But the other thing is that they only sell from outside those areas, so it is already happening in that regard.

**Mr BAYLEY** - Yes, is it. But I am not sure exactly how much in the real world it is happening but the aspiration is absolutely there and we are all working for that goal.

**Ms RATTRAY** - Vica, you talked a lot about compassion and I wrote down here 'managing the change'. We heard from the Sawmillers Association yesterday about the fact that they are likely to lose a large number of what is left in Tasmania, particularly regional sawmills - though they are pretty much all regional. They indicated that there will not be enough money for compensation. You have probably heard many of the stories about people who missed out. That compassion aspect of what you talked about, is that something that you are willing to fight for in relation to additional compensation for those people or perhaps there may be some more opportunity in the future for growing a business?

**Mr BAYLEY** - That is hopefully the answer. We have absolutely represented and backed the sawmillers and others in their representation to government about money and what it is going to take to satisfy their needs. It is not a bottomless bucket of money so I will not comment on where it has landed. From my understanding the regional sawmillers are, if not happy, comfortable and they are still supporting the agreement et cetera.

There are two options here for sawmillers: one is to exit and the other is to stay in business and grow. I am really heartened that the regional sawmillers, arguably one of the most conservative elements of the timber industry, one of the oldest and biggest employers et cetera, are proactively putting up proposals around how they can stay in business and, indeed, grow their business by processing pulp plantations into orange board, solid timber products. That, to me, is an incredible approach to take from those sawmillers so I fully support them in that aspiration and I fully support those who chose

to get out. I do hope that they can manage with the amount of money that has been allocated to support those people adequately that want to get out and that those that do not get out or cannot get out can find themselves a secure future in the industry.

**Mr GAFFNEY** - You were here yesterday when Terry, Hans and Glenn were in the room. Environment Tasmania I think represented somewhere between 20 and 25 Tasmanian organisations. With your Wilderness Society, what is your registration?

**Mr BAYLEY** - It fluctuates but we hover around 40 000 members nationally, and in the order of 2 000 in Tasmania.

**Mr GAFFNEY** - The ACF yesterday mentioned one of the things they think they can do on a national or international scale is put some pressure on philanthropists who might support other environmental groups that may be not in tune with the signatories. I think Peg said Markets for Change had a maximum of 200 numbers within that organisation. You mentioned in your introduction about ramifications so next time you come to present I would like to hear what the Wilderness Society believes are the ramifications if this bill fails to get any ground. That is important because there is a study coming out at the end of this month about the socioeconomic advantages or disadvantages of this. I would be interested to hear from the Wilderness Society what they believe may be the worst-case scenario if this falls. That is a reality, so are we in for three more decades of whatever.

**Mr BAYLEY** - I am happy to take that on notice and give you my analysis. In short, I don't think it's very pretty. In terms of the socioeconomic study, I think even Terry himself articulated to you that there's the socioeconomic impacts of passing the agreement. To my mind, that study is all about trying to understand the impacts of this. There are clearly going to be some job losses because some mills are going to exit et cetera, so that's all about trying to understand where the impacts are and how we best mitigate them with regional development money, etcetera. I think even Terry said to you, which I fully endorse, that there needs to be an equal and equivalent socioeconomic study of what is the do-nothing approach - just let it burn, the conflict reignites and the contractors go out of businesses which means there are no logs, no sawmilling, etcetera. What are the socioeconomic ramifications of that as well?

**Mr GAFFNEY** - The three signatories from the group are recognised internationally, nationally and within the state as having some credence. You stated publicly that you would do everything you can to negate any other negative influences from other groups, whether it be the Huon Valley or the Markets for Change. I am really pleased to hear you have said that. Even GetUp! were here and they have 600 000 individuals connected to that site and their executive were supportive of this agreement. That is a huge mass of people across Australia and internationally that would be connected to that media. I will be interested to hear from you next time about the ramifications.

**Mr VALENTINE** - I was wondering whether you had had any conversations with the people who are actually conducting the socioeconomic study.

**Mr BAYLEY** - No, I haven't, not specifically, although, in saying that we certainly did as part of the independent verification group. There was a socioeconomic report associated with that and we had conversations back then with those people.

**Mr VALENTINE** - I mean on this new one.

**Mr BAYLEY** - As far as I understand it this new one is pretty much using that model and just plugging in the proposed world and realities and then it spits out a figure. While we have not had direct conversations about this version of the study, in some ways, as far as I understand it, it largely reflects the methodology of the previous one where we have had some conversation.

**Mr MULDER** - On the issue about durability and the fact that is linked to reserves, durability must be demonstrated before the reserves occur. I am wondering whether the durability report is just a durability report or whether there ought to be some mechanism that says that if it is an adverse report then this is what happens, rather than there being a report without any sort of meat to what that report might mean. At the same time you might like to think about the difficulty you will have in producing a durability report if the last two and a half years of negotiations are anything to go by.

**Mr BAYLEY** - In terms of your second question, we have had our challenges over the past year but there have been some pretty big chunky issues we have had to deal with, largely reserves versus resource and how we reconcile that. In terms of durability, hopefully it is relatively self-evident. Are we proactively supporting this agreement? Are different elements that government or others should be doing actually being delivered? Have the reserves been declared? Let's be really clear that the durability reporting, and indeed durability, isn't just a condition prior to the declaration of the reserve. Durability is for the length of this agreement and there are going to be ongoing reports. Let's be really clear that the reason we are very strong on legislated reserves for these forest areas is because that's what we believe is the best way to protect these areas and that, for us, is a very clear durability test.

**Mr MULDER** - If they are in reserves, the short-term durability has been met, so they have gone into the reserves and everyone is smiling and happy. Then a year or two later another group or maybe you guys decide that you do not like the result of it, or the structure or the power relationships or the perspectives in your organisations change and we are back into market disruption, warfare, withdrawing from our forest certifications - all those sorts of things. Would you then see it appropriate or would you then sort of come on the record now as saying at that time it might be time to start reversing the reserves, since the long term durability has not been met?

**Mr BAYLEY** - I am not sure you are ever going to get me advocating reversing reserves. I am working in a positive sense in that that is not going to be the situation. There are no guarantees around that. Reversing reserves is always the power of parliament. You have that power collectively as an upper and a lower House, not only with these reserves but any reserve that is in the state. That is a risk, I acknowledge that.

**Mr MULDER** - What I am trying to say is, give us some assurance that this is not the ratchet stuff. You know you have got your reserves, we will give you peace for a year or two but then we will go on with our ultimate mission of ending all native forest.

**Mr BAYLEY** - I hope that assurance comes with our demonstrated support for the agreement, and for all of its outcomes. You know, doing the market support, etcetera. I

would contend it does not have to come by a commitment that we will happily stand back while someone undermines our reserves. I am not going to give that to you. Let us be real.

With due respect to Vanessa, that is the threat of political government - an alternative Liberal government at the moment. That is a concern for us; that is a real durability test for us so I am afraid I cannot give you that commitment but I will reiterate a positive sentiment that we are going to back this agreement; we are going to do everything we have signed up for.

**Mr MULDER** - It would, of course, give you some legitimacy to restart protesting should that happen because the agreement, the durability has been -

**Mr BAYLEY** – Well, of course, absolutely. In my view, that is in no-one's interest to do that.

**Mr MULDER** - We only have two concepts of forestry here. The forest production zones which have the practices which you might not like but which you are prepared to condone and support for the purpose of the agreement; and on the other hand, we have locked up reserves, much of which has been previously logged. I am just wondering where in all of this you do not see it as a potential for a third class of forestry where there could be very low impact forestry operations such as selective logging which was the process by which these were logged in the past and despite which they have maintained high conservation value.

**Mr BAYLEY** - I would dispute the assertion that much of the reserves, the 500 hectares, the 1000 hectares, has been logged in the past. Some of it has; we discussed that. Some of it has and we maintain that in the reserve plan for reserve integrity, reserve design and other reasons.

In terms of selective logging, we believe very strongly that the best way to protect the environmental and other values in these forests is by secure reservation. We would be very concerned about what you colloquially term 'the thin end of the wedge' and selective logging in reserves or selective logging in other areas.

There are absolutely good, bad and indifferent forest management practices but as an environment group, we do hold very strongly the need to formally and legally protect land and marine environments to properly protect them.

That is why we have been very strong via this process that that is what has to happen; that it has to be legally protected through the parliament, as the government is proposing, under the Nature Conservation Act. We fully support that, managed by Parks and Wildlife, the expert parks managers, et cetera. That is what we believe needs to happen to properly protect the values in these areas that have been identified.

**Mr MULDER** - Are you comfortable with Forestry Tasmania going on and maintaining the management of forest production zones and their regeneration?

**Mr BAYLEY** - No. You would be aware that we have been very strong critics of Forestry Tasmania for a long, long time. We believe there is a range of conflicts of interests that

has plagued that entity for a long time. So, are we comfortable? No. I think part of the problem historically with Forestry Tasmania is structural, part of the problem is cultural, and there is probably a range of other financial and economic problems as well. No, we are not comfortable, but we have agreed.

**Mr MULDER** - You will live with it?

**Mr BAYLEY** - We would. We have signed an agreement; we will live with it and we will work towards fixing some of those alternative challenges with Forestry Tasmania such as cultural challenges, etcetera, to help address the issues that we held before. This was an incredibly sensitive and challenging issue for us because of the history between our organisations. But such is our belief in this agreement, such as our belief in the conservation benefits of protecting these forests that we probably going back to the list of compromises along the way in that we have recognised flexibility around the structure of Forestry Tasmania. We will still work with governments in that parallel process, but some of those other elements still need to be addressed and, I believe firmly, are being addressed at the moment.

**Dr GOODWIN** - Just a couple of quick ones and a couple of them might be on notice for next week, depending on how you want to take them. The first one concerns the individual lots that are now part of this government amendment and what the implications would be if a decision was made to amend some of the lots, either by deletion or in terms of what activities can be allowed in them - anything along those lines. It might be something that you want to discuss with the other signatories and take away and bring back next week, but I thought it was worth flagging.

**Mr BAYLEY** - I can give you an answer. Deletion is going to be hugely problematic. Terry spoke very clearly yesterday and I endorse that about the delicate balance that has underpinned this agreement in terms of which apply in terms of reserves and so forth. We have signed onto an agreement that delivers these areas, the hectares in these areas. It is not about hectares anywhere else; this is the agreement, so deletion or amendment of those boundaries, et cetera, would be problematic. Governments themselves are running through the administrative process about the values, purposes and permitted uses, so we will engage and we will have to review this proposed protection order. If we disagree, we will try to feed it in, but that is a separate process.

Certainly as we have represented to members throughout, we do believe the legislation and the protection order is all about implementing our agreement. If there are amendments that haven't picked up on elements of the agreement or add value to the agreement, and they have effectively been consulted across the signatories group and we are all comfortable, then that is great. Anything that really seeks to change the architecture or some of those critical elements of the agreement, then clearly we don't have the agreement that we signed and whoever may be aggrieved by that would need to consider their position, I suppose.

**Dr GOODWIN** - The other related point is that some of the permitted activities in relation to some of these lots is around mineral exploration, so I am just wondering how comfortable you are with that? This is a durability issue, whether down the track there is going to be a move by NGOs to seek to prohibit mineral exploration in some of these areas if that is not ticked off to start with, so it is something to consider.

**Mr BAYLEY** - Let's face it there already is a move - there already has been a move and there are claims over places like the Tarkine, etcetera, so let's not gild the lily here, this has been in negotiation with the logging industry over logging. Many of the forests themselves have been verified as having significant conservation values worthy of protection. As a conservation group, I could not sit here and say therefore we are going stop logging and allow mining. Around the mining issue, that is a significant issue from a conservation perspective. Conservationists have been seeking an opportunity to enter dialogue with the mining industry about some of these areas to try to resolve some of those areas. Hopefully, this process sets up a template or model that maybe can be adopted there, I don't know, but certainly the mining issue is an outstanding issue. I don't accept that it is a durability issue in the context of our agreement.

**Dr GOODWIN** - I am just wondering about the implication where some of the lots refer already to mineral exploration being allowed. I think what I'm hearing you say is that you have not been through this yet, so you don't know which lots permit mineral exploration and whether you are comfortable with that at this point? That is part of what you'll need to bring back to us, presumably next week.

**Mr BAYLEY** - Sure, we can do that. Our aspirations around these areas are that they have been identified by us for protection. Protection does not necessarily mean protection from logging and not protection from mining, although I am very aware there are different categories under the conservation act that allow that. We will be advocating for the highest level of protection possible for those areas. Not all of them are eligible for national parks status, for example, so it's not like we won't blanket national park declaration over these areas.

**Dr GOODWIN** - Correct me if I don't have this right, but I think you said earlier that you support the right of the other groups to protest - I am talking about Still Wild Still Threatened - freedom of speech is what I think you were referring to.

**Mr BAYLEY** - And the right to protest.

**Dr GOODWIN** - Okay, so does that extend to the right to trespass and disrupt workplaces? Do you think that is something they should be legitimately entitled to do or do you draw the line at things such as trespass?

**Mr BAYLEY** - We support people's right to protest. If a person trespasses, they will be dealt with under the law and held accountable. We support the right and, as I said before, the right to protest should not be interpreted as a licence to protest or a need. Just because you can does not mean you should. I would encourage people to look very closely at why they are protesting, what the ramifications of that protest are, and what it means in terms of the outcomes on the table.

**Dr GOODWIN** - Early on in the statement-of-principles process and the IGA, there was reference to a pulp mill and at some point that came off the table. What is your understanding of when that occurred and why?

**Mr BAYLEY** - It has never come off the table really; it is still in the statement of principles.

**Dr GOODWIN** - But this supersedes that.

**Mr BAYLEY** – This supersedes that and throughout this negotiation it has not been a negotiation point. We agreed by the statement of principles that a pulp mill could be part of a future industry. We have a pulp mill in Tasmania as we speak. It is operating happily 40 kilometres up the river. We are not opposed to all pulp mills but we have consistently held our opposition to the Gunns' proposal for a number of reasons. Consistently throughout this negotiation we have maintained active opposition to it, whether it is with potential investors such as Chandler or Gunns' itself, the board and shareholders or at public rallies. I have spoken at public rallies throughout this negotiation, so to me it's not an issue. We have maintained our position there but the reality is it hasn't been a negotiation point because we have tried to deal with the real world. We haven't had to negotiate specifically about that project.

**Dr GOODWIN** - In the statement-of-principles document, when it referred to 'a pulp mill', from your perspective, it was not referring to the Gunns' pulp mill.

**Mr BAYLEY** - That is exactly right. And from my organisation's perspective and my perspective, that is exactly what we agreed to. We agreed that a pulp mill could be part of the future landscape of the timber industry. For a whole range of reasons - environmental, social, process and other issues - it was not the Tamar Valley pulp mill.

**Dr GOODWIN** - Did you have any meetings along the way with Gunns' representatives about the pulp mill?

**Mr BAYLEY** - No.

**THE WITNESS WITHDREW.**

**Ms JANE CALVERT**, CFMEU, SECRETARY FORESTRY AND FURNISHING PRODUCTS DIVISION, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Harriss) - Members we will reconvene, the hearing is back in session. Jane, welcome to this process and you are familiar with parliamentary committees and the protection of privilege, et cetera, so we will not go into detail on that. Jane, you are also familiar with the reason for having you as the representative of the CFMEU before the committee and particularly as one of the signatories to the agreement which led to the bill and that is our process this week. We do not have a submission from the CFMEU; is it your intention to make a written submission?

**Ms CALVERT** - It is our intention, yes.

**CHAIR** - For this process then we will start off with you making your presentation in terms of how you see the reason for being and then questions will inevitably flow.

**Ms CALVERT** - If I could first take the opportunity to acknowledge the difficulties of those who are at the forefront of the fire effort at the moment and those struggling because they live or work in those areas and particularly on behalf of our members out there give thanks to the volunteers and professionals who do such a selfless job. Lastly, on behalf of our union, condolences to the families and friends of Peter Cramer who, unfortunately, lost his life. Thanks for that indulgence.

I want to just speak about three things in my opening remarks, first, what this agreement means for workers and therefore why the unions maintained our involvement. Second, why the agreement and, third, what the agreement delivers in comparison to an alternative and I am sure your questions will go to some of those things but if you could allow me the opportunity just to give you a brief overview.

First, what it means for workers. There is a vast difference for a worker and their families and communities between a change that is orderly, managed and supported versus a change that is brought about by, for example, a market collapse or the collapse of a business because it is not longer economically viable. In some ways that is self-evident but let me just point out to you that if it is an orderly and planned change in an industry, workers will get supported, such as the Gunns workers were. We had 340 Gunns workers who have been supported through that last transitional support payment and following ForestWorks support plus another 91 contractors in that first tranche.

Some of their stories, and I think some of you particularly in the north who read the *Advocate* will have seen Neil Smith's story - 21 years in sawmilling, lost his job with the Gunns closures. He got supported into aged-care training and he is now happily working in the aged-care sector, and who would have thought really? He certainly didn't think that is where he would end up. That is a similar story for most of those hundreds of workers who have already been put out of work because of this change in our industry when Gunns determined to go to plantation-based supply.

**Mrs TAYLOR** - Jane, have most of those found jobs?

**Ms CALVERT** - Not all. Some used the opportunity to retire; some went into business of their own. The stats I will provide in our written report.

**Mrs TAYLOR** - That would be really good, thank you.

**Ms CALVERT** - Many of them, I have to say, who have jobs there are not necessarily the sort of 20-year secure jobs. Some of them are in casual work and some of them in part-time work but we will provide those stats for you in our submission. Certainly, I can say, hand on heart, it is a better success story than if they had just been left to drift away. That is not a good story.

Another example, aside from Neil's story and the Gunns workers' story, you would have heard I think from Ike Kelly about the tragic circumstances of their mill burning down. ForestWorks have been able, I am pleased to say, to move in and offer support to those 15 workers already. They are working with government to get that formal support but they are already down there at the forefront talking with those workers and trying to provide the same sort of service. Of course, everyone is in a bit of a shock at the moment but as that unfolds ForestWorks is able to be there to give the same sort of support. There is an example of some chaotic change where a mill burns down or if a place just shuts or if anyone heard some of the stories from the contractors versus a change in an industry and a restructure where you can actually plan, support and get up to three years' support for workers to get into new jobs or different jobs in the same industry or change careers; it is vastly different and that is why the unions are involved in this.

That is why we got involved in the first place and that is why we stay involved because there is change in our industry irrespective of this agreement and we want to see it done and our members want it done in a way that is dealt in the best interests of them and their families and communities rather than just chaos, the door shuts. For example, at some stage during this when Ta Ann lost some market and a shift went from each mill, again, because we were in this space at the time when these talks were going on we were able to get those workers supported. But in the normal course of events they would have lost their job, disappeared on the Monday and had to go off and fend for themselves. It is very different in human terms for workers and their families if we can do it in a way which is planned, protected and supported.

That is why, when we had the three votes from our full membership in Victoria around the statement of principles, the interim agreement and the final agreement, we had overwhelming support for it. It is why we are there and why our members support us to be there.

To the question then of why an agreement: the central part of that is, does there need to be change, are we forcing change on the industry or was the change going to happen anyway and was the change happening anyway? Yes, the change was happening anyway. This is in response to that rather than causing that change.

There are three elements for our industry to go into the profitable industry it needs to be and has the capacity to be, given the resource we have here in Tasmania. One is access to that resource that is secure, sustainable and certified. Second, we need an economically viable supply chain in all of its elements and capacity for that supply chain to provide a product to markets and make a profit. You've got to make a profit. You

don't get secure jobs unless employers are making a profit. Third, we've got to have reliable domestic and export markets that accept and, dare I say even, prefer Tasmanian products. That is where we want to end up. Were we getting there? No.

There is a number of pressures on our industry that were bringing about change and it wasn't just to do with Gunns exiting. It isn't just to do with those decisions and it isn't just to do with this agreement. The high dollar in Australia affects more than manufacturing. Most of our manufacturing in timber was established as a business around the dollar being about 60 cents. It hasn't been that for a long time and it probably won't get back to that for a long time. Is it \$1.03 today?

**Mr WILKINSON** - \$1.05 I think.

**Ms CALVERT** - Thanks very much. That higher dollar means that it is difficult for us to compete with imports. It makes this country a bit of a haven for overseas imports coming in, structural timber and engineered wood products. That, combined with the collapse in the US housing market means there is a whole lot of stuff that traditionally would have gone there that is now coming our way. We are under pressure and it is not just our industry but it is a lot of the manufacturing industry. That is not going to change for some time. We've got that, currently combined with a weak housing market. You all know that the housing market recycles but it has been weak now for some time and doesn't look like picking up for a while.

Then we have the, as I think the IndustryEdge group called it, the trade doldrums of our hardwood chip exports. Tasmania's chip exports have fallen by 55 per cent on average in the last couple of years, from 2010 to 2012. That is not going to come back in that measure. The market overseas has fundamentally changed its preference mostly because there is closer plantation wood now available to Japan and China. We are at a disadvantage now in trying to export to there.

We are not going to recover fully the heyday of the Japanese chip export market and the Chinese market, while there is some market there, it is a basic commodity market. It won't make for a profitable industry. I think it is very important that we try to look to develop domestic use for that residue. We are not going to get back to the days of being able to rely on that woodchip export market. It has fundamentally changed and, again, we can provide some of the statistical information behind this in our written report.

There is also a structural change, in our view, around product use and what products the markets are demanding. Again, we can provide you with the analysis behind this but it is fundamentally three things. There is a falling demand for sawn hardwood and we say that decline is permanent and it is linked to the cost of supplying sawn hardwood. The plywood and engineered wood products in general are substituting, so the building market is asking for that in preference to the traditional, fully kitted-out sawn hardwood. That is a good-news story in some ways because engineered wood products use more of the wood and less goes to lower value products like chips, so you will have less of a problem. You see it here and Tasmania is leading the way with Ta Ann doing rotary veneer peeling rather than the traditional woodchipping, which uses more of the log and provides fewer problems with residue and chips.

The third thing is, all the engineered wood product growth is structural. It is replacing sawn hardwood, not softwood. We will give you the information about that but the point I want to make today is: is our industry changing, and how is it changing? We say there is a structural change in how the product is used, how the wood is used, and that will continue and expand. Whilst it means we're going to have to change, it is actually a good-news story for us in the end because I think Tasmania has a whole bunch of plantation wood that can, with some R&D assistance, which this agreement promises, develop some products to use all that plantation wood you have in engineered wood products or composite products - do a bit more investigation with the nitens and the unpruned globulus but it is there for the taking if we can get this right. If we can get the investment, that's where our growth will be. That is where the growth in jobs is going to be and you are well placed to do it because you've got a whole lot of plantation resource that was grown to go to a pulp mill and is now waiting for manufactured wood products. I think that is where the market going, so it is possibly a good-news story.

**Mr WILKINSON** - I hear what you're saying, that there is a lot out there now and without Gunns people are saying, 'What am I going to do with it?' What is happening with that? We hear a lot of what-ifs and 'this could happen' and I am trying to find out stuff that says this is happening, this is going to mean that such-and-such is going to take place, this is going to mean that x number of people are going to be employed in the industry. I am looking for some concrete evidence.

**Ms CALVERT** - Ta Ann is actively involved in some testing on it for their veneer. They're not having that good a result but they are keen to see what other composite products we may make out of it. There are a number of others in Tasmania who are looking at that product for cross-laminated timber. FT has done some HARDLAM production, which they may talk about when they come in. It is a product you can make out of some of that plantation wood we've got here. The basic problem is it was grown for pulpwood so the silvicultural management of it was the wrong thing for the moment.

I also know that Lend Lease, one of the major construction companies in Australia, is very keen on moving towards cross-laminated - more wood in their building. Not wood as feature wood but wood in the structural part of it, the cross-laminated timber. The regional sawmills might have spoken about it but I didn't get to hear their presentation. There is a major building company, at least one of them in Australia, now driving a change in their design and materials into cross-laminated timber. They are doing it for a couple of reasons. One is, it is safer because there is less handling and construction on a site. You can do lot of it in a prefab way off-site so it is safer, more sustainable and ultimately cheaper. Right now, guess what, they are importing it from Austria at a cost which adds approximately 50 per cent to the overall cost of the final building.

Here we have a market driver, a demand that can pull through. You have a resource in Tasmania that may be able to be used. Come on, can we get that right? Can we get the bit in the middle right and what do we have to do to do that? We have to do the R&D and develop it so we can use it. I think we can. There are examples of it being done overseas. There is a slightly different growth pattern but I think we can do it but you are in a good -

**Mr WILKINSON** - Where is that?

**Ms CALVERT** - Chile. You are in a place where you have a demand that is going to pull it. Lend Lease wants this stuff to be done domestically and you guys have grown the timber. Often we have the timber but not the demand and we have to develop the markets. Sometimes we have the market but no resource. You have two parts of the story and if you can get that middle bit right, that is where our growth lies, in my view, for jobs here in Tasmania. It is a good story but we have to have some investment in R&D. We also have to have some smart entrepreneurs or business companies that want to invest in Tasmania. It has been a long time since we have seen some investment in Tasmania and I think that is one of those things that this agreement could stabilise and if we get ourselves on a good footing we will see investment come back into Tasmania. Until we do, all our dreams of where growth might come from aren't going to come to fruition.

In terms of why an agreement -

**Ms FORREST** - On that point, going on from Jim -

**CHAIR** - Yes, go ahead.

**Ms FORREST** - Jane, you are saying, and there is an argument put around this whole innovative use of the product, that is where the market force should determine it; if the market is really there, as you suggest, then why do we need the funding to drive it? There is a certain amount of funding in the agreement that is allocated for innovative uses of timber products and looking at growing different aspects of the industry and particularly - the commonwealth merged with the plantation aspect of the innovation as well - from memory, I haven't got that in front of me. That is one of the areas where the funding is put together to try to achieve an outcome across the whole area. I'm not sure how much was allocated to that in the end; \$20 million?

**Ms CALVERT** - It was something like that.

**Ms FORREST** - There are a couple of different ones, anyway, even the residues as well, which all fit together in that. So there is funding allocated. If this agreement is not supported and that funding doesn't flow, do you think that's the end of the game here? If the market is out there, as you say, then the market really should be driving this. I agree with others who say we have to stop propping up this industry; it needs to be able to get to the point where it predominantly stands on its own two feet. I don't think it will ever stand on its own two feet because there is too much community service obligation aspect to the forestry sector in Tasmania. Is the money absolutely imperative for the R&D and the other aspects or can market forces drive it?

**Ms CALVERT** - There are two aspects of that funding. One is about plantation management and once you get a use of a current plantation how you then replant and the money for some support for the new civilcultural regimes that are needed. That is about plantation management.

The other part is about manufacturing. It is not actually about trees, it is about manufacturing. That is the bit that I think where there needs to be some support initially. It is like any other industry. It is difficult for individual enterprises to manage and fund

the whole of an R&D exercise about that. That is where the government policies and support come in but it is not -

**Mrs TAYLOR** - Heaps of that has been done, though.

**Ms CALVERT** - It is not just handouts; it is matched funding or seed funding or soft loans.

**Mrs TAYLOR** - Yes.

**Ms CALVERT** - We are not talking about propping up here. We are talking about government wisely spending the public dollar to encourage an industry to grow and take up the opportunities that are there and I think that is difficult, no matter how entrepreneurial they are, for an industry to jump that hurdle on its own.

**Ms FORREST** - Start-up funding.

**Ms CALVERT** - Yes, start-up.

**Ms FORREST** - The question is: is this imperative? If the agreement is not supported and the legislation is not passed, then I assume the federal government will say, 'Sorry Tasmania, you have had your chance for that'. How important is it? That is the question.

**Ms CALVERT** - My view is that if we did not have such a flattened economic environment here in Tasmania for our industry, if people were not so averse currently, because of the history of the conflict, to invest here then maybe not, but I think the combination of the history here and the fact that we're not investable at the moment - our industry here is not investable. People look at it and they go 'hmm'. Ta Ann is hanging in there, as you rightly pointed out before; they're in a holding pattern.

**Ms FORREST** - There are a lot of things being done to secure it.

**Ms CALVERT** - A lot of things are being done to secure it and it is tenuous and fragile. In a perfect world maybe you would say, yes, that investment will happen because there is a demand and there are people keen to do it and they will work out the bit in the middle but I do not think that is the case in Tasmania because the environment is already so depressed in relation to the investment. The climate for investment is -

**Ms FORREST** - The cost to the taxpayer for that is unsustainable.

**Ms CALVERT** - Yes. My point about why to have an agreement is, there is change. The industry is changing irrespective of anything the Greens do but make no mistake, as all that is happening, what has happened with environment groups, as was said earlier, it is easier than ever now, with the combination of email and social media, to run a very effective campaign in the markets. Mind you, it is not aimed at the consumer. It is aimed at the retailer. Of course, they are an easy target because they are big brand names and they do not want their brand to be trashed or undermined. So, it is simple. At the moment, with the advent of all that - someone mentioned, I think Vica was going to supply it, but I think the figure is something like 800 000 on a combined email list of the three major groups - Wildos, ACF and GetUp! Something like that; he is the chair - pretty damned easy and pretty low-cost to whip up.

It isn't just that. There is change for a whole bunch of other economic reasons but it is easy now to piggyback in and change or trash a market. Through this agreement the union, our organisation, is trying to secure three things - the resource, the supply chain viability and the markets. Traditionally we used to be able to fight and say, 'Okay, let's get good secure resource legislation', whether it be RFAs or any other thing, and the job is done and then we just battle out the contest about the use of it. You can't do that now. In our view this has to address all three of those aspects. That is the why we think the agreement is necessary.

I will end by going to what I think this agreement delivers and I have already touched on some of that. This union generally does not believe that locking up forests from timber to production makes social, economic, or even environmental sense in general. I have raised with you why I think it is now different and we are supporting an agreement which involves further lock-ups. Why am I doing that and what is the balance? I think there are a number. There is a half-a-dozen prizes - and I will call them prizes - for us in this and I will briefly go through them.

First, as I said, there is the financial and other support for orderly change in our industry for workers, and that makes a huge human difference.

Second, for the first time ever, the major NGOs have agreed to support ongoing use of native forests. Now some of you have been around in this industry longer than I, but from my 23 years in it I have never seen any of the major groups agree to a policy position that supports ongoing native forest. Here they are - part of this agreement is that they will support a smaller one, but it is an ongoing native forest industry that they will support, together with of course greater use of plantations, but they are not saying no native forest. The major NGOs are saying they will support it but they want to see greater use of plantation. Well, so do we. We think that is where the job growth is coming from.

Third, for the first time ever, they have agreed to support - and Vica went to it in the previous presentation - to support FSC for native forests - again a first, and a biggie. You can argue about the merits of one certification scheme over the other but what you can't deny is the fact the market now wants FSC. On anything you see is 'FSC certified', so if that secures us the market, they have agreed to support it for the first time ever.

Fourth - and we have just spoken about it - there is the R&D and other support for greater manufacturing of that plantation and especially the nitens and unpruned globulus. We have to crack being able to use that in a manufactured product. There is a demand and we have to crack it.

Fifth, the NGOs again I think for the first time in my experience in this debate have acknowledged the need for financially viable domestic use of harvesting and processing residue. They might not yet agree on what that solution is but they have acknowledged the need for it and agreed that we should enter a process of looking at what those solutions might be - for the first time ever. That goes to the important middle group I speak about, which is strengthening the economic viability of our supply chain. You guys all know that. We have to find a good domestic use for those residues so the

contractors can stay profitable. Without the contractors making profit, without sawmillers having that added income, the financial viability goes down the chute.

Last, there is this issue of not just ceasing campaigns in markets but proactively campaigning and promoting the Tassie product in the markets. You all raised, rightly, questions about whether that is going to happen and how. I can only say to you I think they can deliver that. In fact Ta Ann have put them to the test a couple of times and they have come through each time, so for what it's worth I think they can deliver, but that is again a first. We have never got them to say stop campaigning. We not only have the potential of stopping campaigning but they are also proactively supporting a Tassie product in a market. I would be very interested to see how that goes, and I particularly note the support from GetUp!.

They are the prizes, in my view. You will have lots of questions about them, but if you wanted me to give you my half-dozen dirty list, that is it. What would the future look like with this agreement for me, for the union? It is about stabilising the smaller native forest industry and therefore giving greater job security to our members and the workers in the industry. It is about pursuing those opportunities for growth, about plantation supply to manufactured goods - engineered wood products, veneers, etcetera, composites. That is jobs growth, so greater security in the smaller native forests sector, which is then stable; jobs growth out of the plantation supply; access to resources that are secure, sustainable and certified - if we can get to that point that is a big positive; and then an economically-viable supply chain that has a capacity to supply the products into the market and make a profit.

This is not just about contractors surviving by the skin of their teeth; our industry has to get back to making a profit. It is not a dirty word in this union's view; if there is a profit there are more secure jobs. We encourage it and we want it. Lastly, I think this can deliver us a reliable domestic and export market that is set, and dare I say it, even prefer the Tassie product. If we get there then all of this has delivered for our members.

What is the alternative? Well, Ta Ann is in a costly holding pattern, as we have pointed out. Our members have had to take a hard decision to use up more annual leave and some of that is brought forward annual leave from next year. That is not an easy thing for a worker. A timber worker, as you know, lives pretty much week to week; they don't bank a whole lot of extra money out of their wage. If again at the end of next year they are in debt for annual leave that is going to be difficult to them. Ta Ann is also seeking to get supply from non-controversial areas outside of the proposed reserve areas, so that puts pressure on that resourcing exercise. They are seeking market messaging to remain and have sought some changes in their contract terms, but that is a holding pattern and a fragile one. If this agreement and the passage of it doesn't go into legislation and Ta Ann then takes its investment - and again, I think you would understand a board doing that - then we will not only lose all those jobs, which will be devastating for workers and the communities they live in, but that will have a domino effect throughout the rest of the industry, as I am sure you are aware and will have been briefed about.

The immediate alternative is not pretty. In the medium term there will be ongoing change. Jobs will be lost. Investment won't come into Tassie, there will be further job losses and I cannot guarantee that they will be supported in the way we have the current job losses, the Gunns job losses that. I have to say to our members we will go in and

fight for it. This union will lobby both governments and anyone who will listen to us to get financial and other support for any further job losses, but we cannot guarantee it. Furthermore, what we see then disappearing is potential for jobs growth. I do not want to be dealing with job losses, I would rather deal with no job losses, I would rather be arguing about the terms and conditions of new jobs and jobs growth, as would all of you.

Then of course the last thing is that we will see ongoing conflict. Whilst perhaps that from a union's point of view conflict is not such a scary thing for us, nevertheless we absolutely support the need for this community in Tasmania to get to a situation where there isn't that ongoing conflict. Everyone is damaged by it. The industry is always damaged by it.

That is what the agreement means for workers and what we think the agreement will deliver in comparison to the alternative, so I hope that has been of some use and I am very happy to field some questions.

**CHAIR** - Thanks, Jane. Reflecting on what you have just shared with the committee, you have said a number of things about the Gunns collapse and the implications of that to the industry. If you can address your mind in this way to your membership, if you like, what sort of membership coverage do you have in the Gunns network, if I can put it that way, but more particularly, can you advise the committee as to your understanding of how this process started? It will go to a question that Vanessa raised with Vica a while ago about a pulp mill versus the pulp mill. Isn't it accurate to suggest that Gunns were intent on getting green support, if you like, for their pulp mill and then from that, the CFMEU played a major role in getting this group of people together?

**Ms CALVERT** - First of all, in relation to coverage, our division of the CFMEU, of which I'm the national president, covers timber workers in harvest and haul, in processing and downstream manufacturing, so furniture and pulp and paper. Our coverage in Tasmania has been fairly comprehensive. We are the only union that covers that area. The AWU do have coverage in the FT field workers and there are the maintenance workers. It is our responsibility to cover the bulk of the workers. We had fairly comprehensive coverage of the Gunns workers. Most of them were our members and we still have a fairly comprehensive coverage of the remainder of the processing industry. We are the union and we have a fairly strong level of union membership here, not the least because forestry has been so damn contentious. People have done the right thing and supported the struggle along the way about our industry, as have Terry's members, so two sides of the coin there.

You asked about the pulp mill being part of the genesis of this process. That is true. Gunns did make a decision to move to plantation-based supply, green support, market preference, call it what you like, a bit of both; we could see the sense in that and sought to do what we could to encourage getting a pulp mill built here. You all know that the CFMEU has been a staunch supporter of that throughout the history of it here in Tasmania and we remain a staunch supporter and haven't given up yet. We would welcome it, if there is a proposal here that has go-ahead.

But, as Vica alluded to, along the way, you have two aspects. You have to have local support both from the community and environment groups maybe. More importantly, you have to have someone who wants to invest in it here and that is what is lacking at the

moment. There are still some talks going on and we would all be sitting here a lot more comfortably if we thought there was a pulp mill proposal about to take off. You know the figures; 2 000 construction jobs, an ongoing number of very good, well paid, permanent production jobs following that. Two years of up to 2 000 construction jobs would be fantastic. I know that most of the members that we have lost out of the process would be knocking on that gate, looking for a job. Aged care would be missing out, let me tell you.

We remain supporters of it. When Gunns said that was a way they saw of getting this investment over the line, yes, we supported it and we continue to support the notion that there should be a pulp mill down here.

Was there a third part to your question?

**CHAIR** - No, there was not, Jane, it was just along those lines in terms of the genesis because I would put it to you that in terms of the many claims we have heard both from government and other governments, this was the industry approaching environmental groups to start this process. It is not quite accurate, is it, because of the detailed involvement of the CFMEU with Greg L'Estrange and others, particularly Sean Cadman, in terms of that green licence for that pulp mill and no other pulp mill -

**Ms CALVERT** - Only part of it.

**CHAIR** - and Michael O'Connor's involvement in terms of demanding - that might be too strong a word - that national organisations be represented in this process, which then subsequently led to the Kelty process for the statement of principles.

**Ms CALVERT** - I am not sure if I understand if you have a concern there, but let me outline -

**CHAIR** - No, I do not have a concern. I just wanted the accurate history of what has been happening.

**Ms CALVERT** - Gunns' industry is part of the industry and they had a legitimate desire to go to plantation-based supply. Other parts of industry may not have been so supportive of the process but we backed Gunns then - that is not to say we did not back the rest of the industry - but as part of trying to drive a big liquid investment into our industry here we thought that was worth backing in.

So, yes, Gunns as part of the industry put their hand up and said they wanted to move to this and we said we supported that, not to the detriment of anyone else, not to the exclusion of anyone else but we thought that was worth supporting.

It was not, however, just that. It was part of the driver for our involvement but it was clear also at the time that the market for export chip was changing and collapsing. Therefore - and I think the contractors might have said in 2007 that they started to get into financial trouble much earlier than when these talks started to happen. They had been under a lot of pressure because of the change in the markets so there is the second reason.

The third thing was we then became aware of was this issue that the harvesting regime here and the planning by FT had been based on - and rightly so - an assumption that harvesting the native forest sector and then, as that dropped off, plantations were coming onstream and it was assumed that that plantation supply would substitute into the structural market. It was becoming apparent that that was not the case, that that plantation supply, the growth driven as it was for a pulp market, the pulp market disappears then it is not so easy for the sawmillers to jump up and grab that.

So there was more than just the Gunns desire to get a plantation-based supply to the pulp mill. It was also the changing economics in the supply chain and the changing nature of the resource base, and part of that market collapsed was to do with environmental protesting but it was more than that, it was a range of other things.

So, yes, it was partly driven by the Gunns change, but it was also driven by other things - changes in our industry which, as I said, we prefer to respond to in an orderly, planned, supportive way rather than just let them happen and deal with the consequences.

**Mr HALL** - Jane, you do store great faith in the plantation industry going forward and local government and other members have here too, but particularly in my patch. Even now there has been a lot of opposition by environmental groups to the plantation industry. That is a matter of comment that I am making that has yet to be played out. Even though you were talking about the ENGOs supporting a native forest industry, albeit a much contracted industry, you're storing great faith in another industry which a lot of the environmental people have claimed has much greater implications on the landscape or supplies - all those sorts of things. I am just putting to you that I foresee still many challenges in that area. The R&D may well be fine but the R&D component is yet to be proven as well. Do you have any comments on that?

**Ms CALVERT** - Let me distinguish between new plantation areas of planting versus what we have now. We have a whole bunch of plantation that is already in the ground.

**Mr HALL** - Yes, and nearly all nitens.

**Ms CALVERT** - Nitens and unpruned globulus - a mix of both. That is where I think we can get some growth in jobs from - that is what I was talking about, the utilisation into manufactured wood products of that product. It will not be used by sawmillers -

**Mr HALL** - Are you talking about the existing estate?

**Ms CALVERT** - The existing estate, yes. Currently without the pulp mill there is lessened growth, so if we can crack the nut on getting that. I agree with you; I share your concerns, and I understand the opposition in those quarters not just from ENGOs but from community, farmers and people who do not want to see land put under plantation.

So there are some questions there with that but I was really referring to the existing stock and making sure we find a use for that and that is where I think there is growth.

Ta Ann, whilst they hanging tenuously with the holding pattern, part of it is also a commitment to a new facility. There are people who will invest in them if we can get the settings right. But that was what I was referring to, Greg.

**Mr HALL** - That is a bit more of an argument for another day.

There was a bit of bemusement when you talked about - and obviously you look after your members - you are jumping into the process early but the AWU didn't. The AWU, I think, probably employ most of the people out in the bush. You probably don't have too many members there - more in the manufacturing or in the processing part.

**Ms CALVERT** - We cover the contractors, the private sector part, and the AWU cover the FT-type fieldworkers, but the coverage is not as dense for us there as it is in the sawmilling process.

**Mr HALL** - The AWU, it would seem to me, did not want to get involved in that process. They were opposed to getting involved in the process?

**Ms CALVERT** - I would have to take that on notice because I was not involved in that first year of negotiations, as Paul said, but Mike O'Connor was. It is a matter for the AWU and I can't speak on their behalf.

**Mr HALL** - From your union's point of view, you have supported green groups in the past financially, and quite significantly, and you have to say that some of those groups want to put an end to timber harvesting, coal mining and all those sorts of things. I think you gave \$1.2 million to GetUp!.

**Ms CALVERT** - Not so. My division of the CFMEU is separate and autonomous financially and in terms of policy, so policy around forests is on turf of my division. Our money is our money. Other divisions' money is their money. Our division has not put one cent of our members' money into GetUp!. It came from the construction division. It is not surprising that a union, with great respect to everyone around this table and your political views one way or the other, funded part of a campaign against Mr Abbott. I have respect for the bloke and if he is prime minister we will certainly work with him, just as we have his predecessors - Howard and others. That is a matter for the construction division and it was not a matter for us. We were not part of that decision making and we are autonomous in relation to those things.

**Mr HALL** - That clarifies it. How much money did ForestWorks receive and what is your involvement? Are you the chair of that?

**Ms CALVERT** - I am currently the chair. ForestWorks is a bipartisan industry organisation. The organisation belongs to the industry as a whole and the chair rotates the union and industry. The late John Downes from the pulp industry was the chair, then me, and then it will change again in the next couple of years. As to the total money, you were talking about the Gunns exit package?

**Mr HALL** - Yes.

**Ms CALVERT** - Can I take that on notice and get back to you?

**Mr HALL** - Yes.

**Mrs TAYLOR** - I am really pleased to see your optimistic view of opportunities and I am with you. I think that is where we have to look because, as you say, change in the industry is happening and has happened and we have to do something about it. I am personally doing some research at the minute on places like upper Austria and Norway and seeing what is happening there. I would be really pleased to talk to you about it outside this process.

You have talked about support for individual workers, and that is really important, but have you looked at the effects on the rest of those small communities where those workers come from? We have been asking for a social and economic impact study. Has the union done any work on that at all because it is not just the individual families and workers involved?

**Ms CALVERT** - We have decades of experience in it, not just in this state but also in my home state of Victoria, in New South Wales and to a lesser extent in South Australia and, of course, in Western Australia. We don't have so much coverage in Queensland. We are absolutely conscious of the effect it has. We have a rule of thumb that every one timber worker's job that is lost in a rural area, a regional area, is five or six other jobs in that area. I was born and raised in Myrtleford, up in the north-east of Victoria. They have seen the same sort of change. If you take those jobs out of the mills there, that is another six jobs. It is the local kindergarten, the school, the hospital, the district nurse, and it is not just the jobs, it is the money. Those are often well-paid jobs that provide a consistent income for that community and people shop locally, so yes I'm aware of it.

I will be looking forward to seeing the figures that come out of their modelling work. Just to reiterate what Vica said, if the modelling work that has been done was a model that was put together under the IVG, what is now being done is populating that with the updated figures and they will compare the job losses through this and then what they would be if this didn't go ahead.

**Mrs TAYLOR** - I understand and that is what everybody is saying, 'Yes, but if this didn't happen there would still be losses'. I suppose the positive thing about this is if we can replace those with some of those innovative industries that we are looking at. There is no point in saying there will be losses in any case in those communities and they will suffer, because we know that and I want to look forward.

**Ms CALVERT** - If we can create some jobs and importantly if we can support workers and if the regional development money can create alternative sources of jobs, whether they be in our industry or dairy or food processing or whatever, then that is so crucial to the fabric of a community.

**Mrs TAYLOR** - Are you happy with this current socioeconomic study? Do you think that will be robust?

**Ms CALVERT** - I think is probably going to be more robust than most of the ones around. Jacki Schirmer has done a great deal of good work here. Previously what has happened in other states with the calculation of job losses is that they don't actually drill down into that flow-on effect that you spoke about. I think this one is a better model.

**Mrs TAYLOR** - We need to have a look at the social and the economic consequences.

**Ms CALVERT** - I understand this one has been modelled to take that into account.

**Mr MULDER** - Jane, you have talked about the support and the jobs in the work that you are doing in these areas. How important is the socioeconomic study that is supposed to be floating around to your work and do you know when it is going to emerge?

**Ms CALVERT** - I understand it is to be done by the end of January. It is important in one respect but in another respect I know the effect job losses have on our local communities, so I'm not in any denial about that. I also know that job creation and job security has a positive effect. Is it going to be persuasive for me either way? No, it is not. I look forward to seeing the information, but for me it's different from what it is for all of you. It doesn't persuade me one way or the other. We have to secure and stabilise what we have and look for growth and get investment back here. We are currently uninvestable, so for me this is about trying to get us investable again, get us stabilised and get job security and job growth back into our industry. That is what this is about for me. I don't need a socioeconomic study to tell me one way or the other about that.

**Mr MULDER** - What do you think the prospects are for the 15 employees of Ike's mill, let alone the multiplier effect that the loss of those jobs is going to have?

**Ms CALVERT** - I understand from my discussions with ForestWorks - and our local bloke has been there and he lives down there - there are a couple of prospects. There is the clean-up work and there are various views about how that should be done. Some of our people would be well placed to do that with some of the contractors, so we are hopeful. The co-ordinators in ForestWorks are experienced in getting down, rolling their sleeves up and hunting around to see what the prospects are. Then if there is a prospect and there is a worker and there needs to be some ticketing or skilling up, they get them in there and they connect them with the customer.

**Mr MULDER** - In their community at Dunalley it is not looking particularly good.

**Ms CALVERT** - At the moment they will be just in shock and trying to deal with the immediate mop-up. As we know from the Victorian fires, it takes years to re-establish. It is devastating. Mind you, it does tend to bring out the best in people; it is magnificent.

**Mr MULDER** - You mentioned in your presentation that we need to do something with the residue, both plantation and native, and some of that will probably go to woodchips. The thing that has cropped up many times, and this is where you friend, Julia, had a lot to do with the fact that we have taken the whole idea of renewable energy credits forest or sawmill residue off the table, which was a huge potential use for this residue. It is one of the issues which the sawmillers and others have struggled for. I wonder, with your powerful lobbying skills, what the union's position is on the use of biomass out of these forests and plantations for energy.

**Ms CALVERT** - Bring on the debate. We have to keep agitating.

**Mr MULDER** - You are fully supportive of your union' position?

**Ms CALVERT** - Yes. We have to look at domestic uses for the product. Out of this, what is clear to me is that the national organisations in particular are up for the debate. They may not agree with us but they are up for the debate.

**Mr MULDER** - I have heard you say to bring on the debate but not that you are committed to that process. That is what you would be fighting for - use of the by-product and residue.

**Ms CALVERT** - I am happy to provide further information on our position on those matters in our written submission. At the moment we support the use of residues. We fundamentally believe this is one of the few renewable industries in the country - wind and wood - and we believe in making the best economic use of every part of the forests that we harvest.

**Mr MULDER** - 'Waste to energy' is the mantra.

**Ms CALVERT** - Not just energy, though. The further we get down into wood products and the value that can add, that interests us a great deal.

**Mr MULDER** - The important thing is, you are not closing the door to biomass.

**Ms CALVERT** - A whole bunch of stuff is on the horizon. Here is an example of what can occur. Some smarty discovered that, with very small change in chemical processes in a paper mill, you can produce a paper that does tests for AIDS in a very reliable manner. Suddenly, paper that was going out the door for  $x$  amount was going to go out the door to a niche market globally for  $x$  times a \$1 000 more. That is the sort of thing that is possible.

**Dr GOODWIN** - I heard you saying during your presentation something along the lines of not believing that locking up forests makes socioeconomic and environmental sense.

**Ms CALVERT** - In general.

**Dr GOODWIN** - Yes, but what you were saying was that while that is true and to stick with that, there were some prizes on the table here that were too good to refuse. That was my impression.

**Ms CALVERT** - In combination with the fact that the change is happening anyway. Pragmatically, you get in and say how do we work our way through this in order to make the best of it and reset our industry and support workers through that change.

**Dr GOODWIN** - Out of what you called 'prizes' that were important from your union's perspective, are there some that are more important than others? How important is the funding in the scheme of things?

**Ms CALVERT** - The funding support for workers who lose their jobs is crucial. It can make a difference between opportunity gained and a worker who is sent down into the pits of despair. That is the human reality of it. It is the difference between the story of the man now working in aged care - who would have thought - and is loving it, versus someone who is living at home, suffering with depression, without any prospects. It is the money

that supports the access to retraining and one-on-one casework about trying to make a link between the opportunities that are out there. Often, a worker has never had to apply for a job; they just turned up for 20 years.

**Dr GOODWIN** - That aspect is very important but you also have highlighted the importance of what you see as the opportunity for jobs growth through plantations. Are they a couple of the key factors for you in influencing your decision to go down this path of supporting the agreement, given that comment you make about lock-ups generally not being a good thing?

**Ms CALVERT** - It is both those aspects and it is the support for certification. That is pretty important to our ongoing market access. Some of those policy shifts that the ENGOS have committed to making are of great interest to us and our members.

**Dr GOODWIN** - Are you confident about the durability of the agreement, notwithstanding that these other groups such as Markets for Change and Still Wild Still Threatened are outside the tent essentially?

**Ms CALVERT** - The first thing that has to happen is we have to get agreement on passage of the legislation. That is in your laps, getting it through in a way which keeps everyone in the agreement intact. I think that is possible, even with some of the members. Then the sleeves are rolled up. I am confident in the capacity of ACF, Wilderness Society - national and state - and ET to out-voice the naysayers. We have them on our side too. There are some people in our membership who are nervous about this. There are people outside who think this should not be done. With political leadership, you guys are all familiar with it, you have to do what you think is right and then back it in. I think all the signatories to the agreement are doing what they think is right in the circumstances.

**Dr GOODWIN** - Even though it may not always sit comfortably with them on a personal level?

**Ms CALVERT** - Even though it may not sit comfortably. I think they are doing what they believe is right in the circumstances and will back it in.

**Dr GOODWIN** - The chair mentioned this issue of the pulp mill and a pulp mill. My sense is that perhaps when there was a reference to a pulp mill in the state in the principals document there was not necessarily a meeting of the minds among the signatories of exactly what was meant by that. Some people perhaps were thinking of a Gunns pulp mill and others were thinking of a pulp mill because they did not really support the Gunns pulp mill. From your perspective, was it always about a Gunns pulp mill?

**Ms CALVERT** - We don't care who owns a pulp mill. We don't care where it is situated. That is a matter for the economics of investment and the business plan. Because so much work had been done where it currently is, we understood that it was not viable for an investor to come in and translate that to somewhere else. That may or may not be still the case but from the union's point of view we are completely agnostic about who owns it and where it is located, as long as it makes business sense, makes a profit and creates employment. That is our position.

**Dr GOODWIN** - Of course you have managed to negotiate quite a good deal for your workers in doing some work on that pulp mill site.

**Ms CALVERT** - As you would on any proposed construction site, there were some early industrial agreements put in place. Actually they were done with our construction division, not the forestry one. It was at the construction end so I am not privy to the terms.

**Dr GOODWIN** - But certainly it would be in the interests of your union's members for that to proceed?

**Ms CALVERT** - It is in our interests for a pulp mill because there are 2 000 construction jobs over two years and then another ongoing 800 production jobs when you are tapering off on the construction side. Whether they are our members' jobs or not our members' jobs, jobs are a great thing for the union. That is our passion. If those jobs are secure and well paid, even better.

**CHAIR** - Thank you, Jane.

**THE WITNESS WITHDREW.**