

THE LEGISLATIVE COUNCIL SELECT COMMITTEE ON THE TASMANIAN FORESTS AGREEMENT BILL 2012 MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON THURSDAY 24 JANUARY 2013

Dr PHILL PULLINGER, DIRECTOR, **Mr PETER SKILLERN**, CHIEF EXECUTIVE OFFICER, AND **Mr RUSSELL WARMAN**, ENVIRONMENT TASMANIA, WERE RECALLED AND RE-EXAMINED.

CHAIR - Russell, Phill and Peter, welcome back.

Dr PULLINGER - We have been keeping an eye on how things have been going on. Last week Vanessa was asking us about the lots in the protection order and some information about that to better understand that at a summary level. There is a difference in the expert conservation assessment. They were doing an assessment across all of those parcels of land for conservation values and they had a map that segmented those areas into different parcels for the purpose of that assessment. For the purposes of the legislation and the passage of reserves under the Nature Conservation Act the department has created a slightly different set of compartments in terms of those small mapping units and that is because they doing it for administrative purposes and management purposes in terms of how they have compartmentalised those different blocks.

What that means is that to do that expert group work, again specifically for those blocks, is a fair body of work. I have looked at, with the material that's already been prepared, some useful information that you're looking for as a ready reckoner. Now that the committee has the maps and you can see geographically where all the reserves are, you want some information to assist and then perhaps if you need more you can come back to us.

About 18 months ago the environment groups prepared a little ready reckoner which shows geographically the different areas and a very succinct geographical summary of those areas and the natural values they contain. You can use that as a cross-check for the areas.

From the expert group reports, potentially the two most useful maps to point you to as far as that simple summary you're looking for is concerned is that we tabled a whole heap of reports last week. The summary report of conservation values that was prepared by Professor Brendan Mackey essentially pulls together all those conservation assessments into a summary, which is at the top of that report. That is a good summary of all the key findings of all those reports.

CHAIR - While you're on the Professor Mackey summary, that's in that documentation you provided to us last week?

Dr PULLINGER - Yes.

CHAIR - Does that link to the IVG contribution by Professor Mackey?

Dr PULLINGER - That's exactly right. As I was explaining last week, there are 10 key conservation values that a whole range of experts audited in the whole proposal against each one of 10 key conservation criteria. It is different experts and a whole range of reports that were prepared.

CHAIR - When you say 'evaluated' -

Dr PULLINGER - The full reserve claim back in the independent expert group process. A range of scientists and conservation experts audited the whole lot against 10 key conservation criteria and then Brendan Mackey pulled the key findings into a summary report, which is at the front of what we tabled last week. That is a summary on the key findings of the key 10 conservation criteria.

CHAIR - I understood that Brendan Mackey, following that summary, was going to produce a spreadsheet identifying the 10 key criteria as against the values but that was never done, as I understood. He undertook to do that and it wasn't produced. Do you know anything about that?

Dr PULLINGER - I am not sure exactly what you're referring to there. In each one of those reports it talks about the 10 key conservation criteria they assessed against. Each one of those reports audited all the different areas and documented the values in each of those different areas, so it's in the body of the report.

Mr WARMAN - I recall that being raised and I had this recollection I saw it, but I can't be confident. I am happy to check if I can provide that to the committee.

CHAIR - Thank you, because Penny Wells from DPIPWE was saying she went looking for the spreadsheet that had been referred to and couldn't find it. I understand Professor Mackey was going to include all the polygons that had been set out in the process of that assessment and go to some detail about each of those as against the 10 key criteria.

Mr WARMAN - I certainly remember it being talked about.

Ms FORREST - Just on the Mackey report, there has been some criticism in various areas that the independent verification group's assessment against those 10 criteria - focused just on the 500 000-odd hectares, or whatever that figure was at the time, without considering the whole estate, or even the whole of the public forest estate. The criticisms being levelled about that are that these areas may not be conserving values that aren't well conserved in other areas, and may be missing considerable biodiversity conservation values in other areas, particularly those areas on private land, for example, or in the rest of the public estate. The terms of reference are the terms of reference, I guess, but it is a significant and valid criticism, I believe.

Dr PULLINGER - I can certainly, if you want to follow that line, give a little bit of context on that issue that has been raised with regard to private land - a little bit of context or background to the statement of principles and the negotiation processes. The negotiations between environment groups and industry started around May 2010, and in the early stages of that negotiation process there was clear concern expressed from the farming sector. They didn't want this set of negotiations to intervene in private land rights and private land. Similarly, from our end, in the conservation sector, we received

some strong advice from the Tasmanian Conservation Trust, for example. They advised us that it was really important, as the environment groups in the process, that we wrote directly to the Farmers and Graziers Association and made it clear that the intent absolutely wasn't to intervene or make a decision about the conservation of native forests on private land, in a legislative sense.

In mid-2010 the three signatory environment groups and the Tasmanian Conservation Trust wrote to the TFGA and made it clear that we were not about intervening legislatively to mandate native forest protection on private land, but that we were supportive of an approach that provided voluntary incentives or mechanisms for private land owners who might want to voluntarily protect conservation values on private land.

Ms FORREST - You mentioned the TCT. Did the TFGA make a request, or any other private forest growers?

Dr PULLINGER - It was something that was clearly expressed and I guess it's been pretty consistent through the process, if you look in and outside of the process. They've been pretty clear and strong - the TFGA - that they don't want this process to intervene, in a mandated sort of way, on private land issues. The TFGA and the TCT were involved in the early stages of the statement of principles process. They subsequently stepped back, but that really, in a sense, set the frame. In the statement of principles per se, for example, the principle concerning private land said 'encourage and support' but not mandate certification on private land. If private landowners wish to voluntarily go down the path of nature conservation, we should provide support for that.

Ms FORREST - I thought assurance was given to the TFGA and private growers generally, because the TFGA doesn't necessarily represent all private growers. Was that when they withdrew from the process? At what point was that?

Dr PULLINGER - No, they were part of the industry reference group, in my understanding, so I'm not exactly sure at what point they stepped back from that. I am just trying to provide a bit of context for where private land sat. We've been really mindful of that and they have been really clear, publicly, that they don't want this process to intervene in private land issue. Essentially, the negotiation has been about resolving issues on public land. We got a statement of principles that said the agreement and statement of principles would be to protect the ENGO-nominated forests on public land, which we had nominated and provided documentation for, but government and industry insisted that they wanted the ruler run over our claim before that occurred. So that's the context and the reason why it wasn't done in relation to private land.

Mrs TAYLOR - Thank you. Chair, can we go back to the original part of Ruth's question? Why did you choose those bits as opposed to other areas of high conservation value, in scientific terms, in other parts of Tasmania and maybe some -

Ms FORREST - In the public estate.

Mrs TAYLOR - In the public estate, yes. And, there are some parcels within your nominated areas that probably wouldn't necessarily rate as high conservation value, against those ten criteria. I think that's one of the questions that Vanessa asked last week.

Ms FORREST - The rest of the public estate wasn't considered.

Mrs TAYLOR - Which one of those ten criteria? You've said that not every parcel meets all 10 - that each meets one, two or three or whatever. That's why Vanessa asked whether we could have a breakdown of which of those criteria each parcel meets. That's not easy to do but yesterday we were told that, on a scientific basis, there were probably areas of higher conservation value than some of the ones in your lots, in other areas on the public estate that are not included. The question really is - why did you choose what you chose?

Ms FORREST - Just to clarify perhaps, the private land is covered off. The point I was making is that the terms of reference appear to have narrowed it down - for the independent verification group to consider only the proposed areas that the ENGOs had put forward. They did that, not in the context of all the land already reserved on the public estate, nor the public estate that's not reserved.

Dr PULLINGER - They did it in the context of the relevant benchmarks, in terms of those ten conservation criteria - the relevant benchmarks and policy guidelines, nationally and internationally. So, the sorts of benchmark they assessed against and all the details are outlined in the report. I guess the proposed reserves are based on a 30 years' body of work - on various reports as far back as the Helsham inquiry and before the RFA process, and a lot of work over 30 years assessing the conservation values contained in the public forest estate. That previous body of work is what underpinned determination of which of the areas are of great conservation significance. The reason why the conservation assessment looked at those areas is because -

Ms FORREST - Those areas only?

Dr PULLINGER - Those areas only - is because that's what the governments and the industry insisted should occur. There was no ambit, in our claim, to put up stuff that didn't have conservation significance or substance. That's really what they insisted should occur.

Ms FORREST - Who is they? Who insisted that only those areas of land that the ENGOs had identified should be considered? That the determination should not to be in the context of the whole public estate? Who made that decision?

Dr PULLINGER - The purpose - like the verification process - was to verify stakeholder claims in the negotiations. Obviously, in the early stages of this process, after 30 years of conflict there were elements of mistrust on either side, to be frank. We put a contention that these areas are of great conservation significance and they need to be protected for this to be resolved. There had been wood supply modelling done by Forestry Tasmania, on which the statement of principles was based. We had concerns about some of the wood supply. We wanted it audited.

Ms FORREST - But who made the decision about just focusing on the areas that you proposed?

Dr PULLINGER - In the statement of principles process, the industry insisted that there was a verification of the conservation values in those areas and -

Ms FORREST - But not in the context of the whole public estate? So was it only industry that requested that?

Mrs TAYLOR - You're blocked historically over 30 years.

Dr PULLINGER - Yes, that's right.

Mrs TAYLOR - The suggestion that was made yesterday was that perhaps it would have been better to do an audit of the entire state of public lands.

Ms FORREST - At least of the entire public lands.

Dr PULLINGER - Yes.

Mrs TAYLOR - Yes, and the indication was that that has not been done. You might have come up with different areas if there had been a scientific audit of the state on what were areas of highest conservation value. Not necessarily less, just different.

Mr WARMAN - I think some of those context issues were considered in that IVG process so there was some analysis of levels of disturbance, for example, across the whole state whereas with areas of previously clear-fell zone burn there was not. There were the proposed reserves in relation to other reserves. So, did they contribute to the existing reserve system, did they contribute to some of the landscape linkage issue? I do not think for all 10 values it was assessed, for the reasons that Phil has outlined. The intention was to verify whether these proposed reserves have conservation values but I think definite thinking went into the context of these reserves and whether they contribute overall to conservation values in Tasmania as well.

Ms FORREST - I want to go back to the question of who basically determined the terms of reference for the IVG to look at only the parcel of land that you were proposing?

Dr PULLINGER - The government signed the intergovernmental agreement. Clauses embedded in the intergovernmental agreement set up the IVG process and the signatories were involved in that process. As the experts put together their various work plans and their various assessment methodologies, the signatories were involved in that and provided feedback back and forth on those work plans and methodologies as they occurred.

Ms FORREST - The signatories determined the extent of the assessment as far as whether it was only just that area and the government directed it. Is that what you are saying?

Dr PULLINGER - No. The intergovernmental agreement set up an independent verification process with a team of experts to verify the stakeholder claims. The ENGO claim was that these areas are worthy of reservation and so that basically set the frame of what they were doing: are these areas, are the claims made by environment groups valid or not and are they worthy of reservation or not and do they meet national and international benchmarks? That is the frame and intent and some of the details around how they went

about their work plan. The signatories were involved as far as consultation back and forth.

Dr GOODWIN - The exercise that the IVG process went through was purely to look at those 270 sub parcels, is that right? Yes, okay. Purely to look at what conservation values those areas have or to confirm that they had at least one of the 10 conservation values that have been identified. It was not an exercise in comparing the conservation values of those 270 lots with other parts of Tasmania or how those values compared to other parcels of land that were not included in the two schedules, it was purely to look at those 270 parcels of land and say do they have the conservation values that the ENGOs claim they have. Is that basically it?

Dr PULLINGER - That's right, but the experts said they were going to use as their reference point - and this was really their decision because they were independent - the signatories were consulted but they also had expertise in the field so what they did was benchmark their conservationist assessment against benefits to the national reserve system against those 10 conservation criteria and with each of those criteria against relevant national and international benchmarks. If it was not up to World Heritage significance, they said if it was not going to contribute to the protection of the swift parrot they set it so they have identified areas that do and areas that don't for each one of those criteria.

Dr GOODWIN - The whole exercise is purely focused on those 270 sub-parcels and the conservation values they had according to those 10 criteria.

Dr PULLINGER - Yes, but as Russell said, there was a context that they put that in as well. The report that I wanted to refer you to for the purpose of that summary stuff is one in terms of digestible information -

Dr GOODWIN - That is what I was looking for, something digestible.

Dr PULLINGER - Yes. Digestible information related to the geographical areas, report 5A which is the verification of the heritage value of the proposed reserves. That is one of the 10 criteria, the heritage values, and that was conducted by Peter Hitchcock AM who is an expert internationally on heritage issues. He not only looked at the sub-parcels but he also made the important point that it is important to look at areas in their geographical context. If you look at a small parcel in isolation, you might not have the context, for example, around existing reserves and other landscapes.

There is a good, simple summary from page 10 through to page 14 of his report. That gives some area-specific findings in a digestible format in relation to heritage. He talks about the southern forests, the Picton and the Weld, the Styx, the Upper Florentine, the Upper Derwent, the west coast areas, the Tarkine, the Great Western Tiers in just a little paragraph of the key findings on heritage. I thought those references might be useful in addition to this, and then there is more detail embedded in it in his report.

Dr GOODWIN - With the 270 sub-parcels, is there something as simple as a list that says, for instance, sub-parcel 1 has the following of the 10 conservation criteria; we claim that sub-parcel 1 has, for example, threatened species; sub-parcel 2 we claim has old growth wilderness and outstanding heritage value; sub-parcel 3 has forest biodiversity or something? Is there anything as simple as that?

Dr PULLINGER - I think there is the spreadsheet.

Dr GOODWIN - Does something like that exist?

Mr WARMAN - That's what I will find out. I remember it being talked about in the process. I will need to check.

Dr PULLINGER - They used a whole range of maps in their reports. I have identified a few simple and useful maps that I thought I could do digitally so that you guys can have colour copies of. For example, the heritage values of the reserves were mapped. You can cross-check with the maps you have here with what the experts say. Similarly, there is a good map on disturbance across state forests. The context across all public forest was there and that is where I pointed to last week, that they did do that system across the public forests and that they did have that conclusion in the summary 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 are outside those proposed reserves. So it is graded.

Part of this will answer Greg Hall's question from last week. He was talking about Smoko Creek as an example of an area that has been clear-felled in the last 40 years. If you look at the disturbance map, it basically shows area regenerated on state forests since 1960, where there has been land clearing or clear-fell, burn and sow forestry. What is quite striking about that map is that there is a high level of crossover between the proposed reserves and the areas that have not been logged and clear-felled. You can see where there are some patches of proposed reserves that have had clear-felling because the context is that they are largely undisturbed landscapes with patches of logging that have occurred since 1960, whereas the areas that were not proposed for reserves -

Ms FORREST - Are you talking about clear-fell logging in particular, not selective harvesting?

Dr PULLINGER - Clear-fell logging. They use the term 'area regenerated on state forest' so there is some detail behind that and some of that might be [inaudible] and so forth, but essentially areas that have had industrial-scale logging occur on state forest since that time.

Mrs TAYLOR - Since 1960, so the last 50 years.

Dr PULLINGER - That's right.

Mr WARMAN - It was not occurring prior to that. It was in the 1960s that they started the clear-fell, sow and burn process.

Mr VALENTINE - It was regrowth, it wasn't plantation after that.

Dr PULLINGER - Since 1960 you can see the areas that have been converted to plantations. It used to be native forest and they turned it into plantations.

Mr VALENTINE - Plantation as opposed to regrowth.

Dr PULLINGER - That's right, and also the areas that have been clear-felled or had significant industrial-scale logging. What we can see is that, in large part, the areas that have been undisturbed since the 1960s haven't faced that industrial-scale logging. They make up the reserve proposals and, in large part, the areas that are disturbed are the areas that are remaining production forest.

So that is useful in the context as well. There are a few others and I am not wanting to try and pick favourites as far as conservation values but I just tried to look at some of the more digestible maps. These are areas that improve the reservation and the call range of the swift parrot, the masked owl, the forty-spotted pardalote, the grey goshawk, the giant freshwater lobster and the Tasmanian devil. So there are some of those maps there and I thought that that would be some of the simpler, more digestible information.

Dr GOODWIN - I am going to put something to you and you may not agree with me, but this is how I feel about it. This work, you just told me, has been going on for 30 years. This is a culmination of 30 years' work to identify these areas that are proposed for reserve. My feeling would be that the people who have been campaigning for this would have intimate knowledge of these areas that have been earmarked for reserves, so I would expect that you would be able to look at lot 1 on this and say, 'Okay, lot 1 is a habitat for threatened species'. I would expect you to have that level of knowledge of those areas. I would not have thought for people who have been intimately involved in this whole process that it would too difficult a job to go through the 200 and whatever it is lots -

Mr DEAN - Two hundred and ninety-five.

Dr GOODWIN - Two hundred and ninety-five lots and say, 'They have these conservation values out of the 10', so at least we know something more detailed about them. For example, you might be able to say, 'Lot 58 is a habitat for threatened species' - do you see what I'm getting at? I can't understand why it would be so hard to do that exercise.

Dr PULLINGER - It isn't, and that's what we've provided. The separation of the reserved areas into different parcels was done last year as a technical mapping component of their assessment, so the areas over 30 years haven't been identified as lot 31 or polygon 26. The separation into those different mapping units was done as a technical part of the expert group's assessment and, yes, if you ask me about the Tarkine, the Great Western Tiers or the north-east highlands I can tell you about the values that I know of in those areas and I can answer questions about that. I can't quote polygon 87 or lot 26 which was tabled a week ago.

Dr GOODWIN - I would have thought mapping and aligning 270 sub-parcels with 295 lots wouldn't be too difficult an exercise. The reason I say that is because the DPI/PWE people, who talked about these polygons, said they would probably line up reasonably well, but they might have broken up one polygon they received as part of the ENGO claim into two or three lots. We are only talking of a difference of 25 that may not be completely aligned with each other, so I am struggling to see why it would be so difficult to go through and identify the conservation criteria that applies to each individual lot.

Dr PULLINGER - What I heard last week was the need for a simple, digestible, ready reckoner I think was the term used, so in the first instance we've looked at the data that has already been published and some of the simpler, more digestible components of that to provide to you. Perhaps we can table that.

CHAIR - At that point, are there any matters in there you want to refer to that we need in front of us now?

Dr PULLINGER - I have maps that unfortunately lack some lack colour tone and the printing has not come out well but I have them digitally, which will be better. There are sections of the report that come from the conservation summary by Brendan Mackey. If you're looking for more bite-sized, geographical clumpings and the values contained in those areas, there are some pages referred to in Penny Hitchcock's report that are useful. We tabled those last week as well.

Mr SKILLERN - Perhaps we could table them as separate documents, even though they were contained within the other reports.

CHAIR - It's problematic, Peter, unless you have copies for everybody here. The voluminous information you tabled last week we either have or are going to circulate to members. If there is more concise information you have there which takes us directly to the points you're making, rather than us having to wade through, that would be good. We would have to look at the *Hansard* and the references you have made.

Dr PULLINGER - What I would suggest is I will give you report 5A if you're looking for some ready reckoner, bite-sized, geographical pieces of information.

Dr GOODWIN - I just wanted to be able to work out what's special about these places and say, 'They reckon this lot has those two conservation criteria and that's why they think it's special'. If I want more information, for example if one lot said it was a habitat for threatened species, I may want to do a bit more research and find out which threatened species they were talking about. I think it would be very useful to have that information.

Dr PULLINGER - You have a map that has maps with a whole range of lots. As an example, lot 9 on the north-west coast, you can correlate that with the map that we've provided in that little ready-reckoner and you can see that's in the Tarkine region. In the Heritage Assessment Report, from page 10 through to 14, you will be able to see where there is a paragraph where he summarises the conservation values for the Tarkine cluster. If you want to go down and delve into more detail in any particular area, it's all there in the reports. If you just want to look at that upper level and ask, 'What's that particular area? Why is it important? Which region is it a part of?' - that's the way to look at it and the context to put it in.

Dr GOODWIN - My request to you is to have a think about what I proposed and have a look for the spreadsheet and see whether it is possible to provide that sort of information that I requested, which is, against each lot which of the 10 criteria you can apply.

Mr SKILLERN - We will undertake to look for the spreadsheet because I think that's the first place to start.

Ms FORREST - It could be the answer to all our questions.

Mr DEAN - Just on this point. I have just been thinking through this process. This has been going on now for a long time and these areas haven't been reserved and you are saying that they now have these special values that require reservation, et cetera, into the long-term future. What evidence is there - genuine evidence - to demonstrate and show that the environmental and conservation values of those areas have deteriorated over the previous 30 years without the management that you are now proposing? What loss has there been for the endangered species and everything else? What recording and what scientific evidence is there to relate to that?

Dr PULLINGER - One of the assessments - and help me here, Russell - one of the assessments in the independent experts group reports of the Reserve Management Assessment basically looked at that and documented the sort of impacts from logging and disturbance in public native forests, and the sorts of impacts that had on their natural values and threatened species. I just don't have the name of that report, but there is a disturbance assessment that was conducted by Dr Ben McCallum in the experts group report that did look at basically exactly what you raised. I will have to chase that.

Mr DEAN - That report obviously wouldn't relate to those 295 proposed reserve areas, I wouldn't think. I know it's a big ask and I can hear what Vanessa is saying and I agree with that as well, but I just wonder how much further you are able to take that because that is a question being asked of me: What deterioration has occurred within these lots over the past - forever?

Mr WARMAN - It will vary depending on values. A couple of examples came to my mind. There was a paper produced I think several years ago now that had several authors and they looked at the wedge-tailed eagle in the north-east of Tasmania and they basically did some modelling over what might happen over the next 50 years if forestry practices, and particularly changes to the presence of mature nesting trees, continued at the same rate that it was occurring. They found that the wedge-tailed eagle would likely become extinct in that part of the state if those processes continued. I can get that paper for you.

Mr WARMAN That's just one example for one species where there was some science indicating that current practices were leading to a deterioration of the habitat for that particular species. What was interesting about that was they actually did population modelling on a landscape level whereas a lot of the previous work on eagles tended to be looking at issues of particular sites. This is looking population-wise at the landscape level.

That's a biological conservation biodiversity and conservation value issue but you could also look at wilderness landscape, World Heritage value conservation values. If we look at Butlers Gorge, for example, it was until about 10 years ago, essentially unroaded. It was several thousand hectares of unroaded old growth forest that adjoined areas within the world heritage area that between them probably made the largest single block of unroaded, untouched, old growth tall eucalypt forest remaining in the state. The Butlers Gorge component of it in the last 10 years has had roads made pretty much all the way to the south of it and to the north of it and has now had several coupes logged. So, there are a different set of values there; there's been a deterioration in those values in terms of wilderness value and in terms of the presence of the largest area of remaining

tall eucalypt forest in the state being deteriorated because of the current land management practices in that area. That would be different if it was in a reserved area.

They are just a couple of examples that came to mind.

Dr PULLINGER - I have found that reference I was talking about in the expert group's assessment. There is a set of complementary analyses that looked at disturbance and other issues across the public forest estate. It is page 68, 69 and 70 of the summary report. For example, they found that since 1996 there had been a loss of native forest cover of 150 000 hectares of native forest in terms of conversion to plantations.

Mrs TAYLOR - On public land?

Dr PULLINGER - I think that's native forest cover per se, public and private. Between 1960 and 2010, 350 000 hectares of public native forest had been logged of which a significant proportion had been subject to clear fell and burn logging operations. It also looks at some of the issues around the increase and intensification of logging in public native forests post the regional forest agreement. They found that there had been an intensification in logging and that, therefore, achieving nature conservation objectives is and had been more reliant on the formal reserve system because habitat quality in many areas is likely to have declined.

That's just a summary. The full reports are in the expert group reports but that's just gone into that reference.

Mr WILKINSON - What concerns me a bit, as I've mentioned on a couple of occasions, is that when you look at wedge-tailed eagles, masked owls and so on, the Forest Practices Authority haven't been consulted because I understand that they've got a pretty good idea as to where things are, whether they're threatened, etcetera. But in relation to this mapping, that hasn't been done, which, to me, seems to be a real issue because if you're looking at not only a wood supply issue then we should also be looking properly at the environment and be looking at things like threatened species. That hasn't been done, which is a concern.

Dr PULLINGER - In answer to that question, a couple of these maps that I was referring to, for example, the contribution of the course of parrot range, if you look at the data source citation in that, the data source that underpinned that was fauna range data FPA 2012, fauna status data DPIPWE 2011. So a lot of that threatened species data that underpinned that expert group assessment actually was from the FPA and DPIPWE. There were some other data sources as well. There is a list of all the data sources but those threatened species assessments data are actually cited on the map.

Mr WARMAN - I think it might have even been Forest Practices Authority itself that authored some of the papers that went into that IVG assessment.

Mr WILKINSON - They just stated to us that they had no input whatsoever and hadn't been asked.

Dr PULLINGER - I'm just citing the reference on those maps [inaudible] their data source.

CHAIR - There is no more on that which you are working through, Phill, if you want to pick up where we interrupted you.

Laughter.

Dr PULLINGER - I think that was in relation to the request from last week. We have a question on notice around the tables and we will come back to you and let you know. My sense is that exactly what you are after is actually a fair body of work to translate the two different things into the one format. But, nonetheless, we will come back to you and let you know about that.

How do you want to proceed now? We have watched the hearings and there are a few questions that have been raised during the hearings that we have some notes for and that we can talk to, or would it be better for members to ask questions?

CHAIR - If they are unanswered questions, then we should go to them. If you have answered them last week but there is more clarification needed, it is important that we get that.

Ms FORREST - One point I would like them to address their mind to is the government amendments that you wouldn't have had time to consider last week, and we are asking all the signatories because that was one of the first to be getting one back. That is one area I would like to see you explore as well as what you see as unanswered issues or issues that need further information.

Dr PULLINGER - Yes, certainly. One thing that we have had a chance to digest since last week was the land tenure ramifications of the government's amendments and details of the protection orders that were tabled last week. I know that you were questioning Vica yesterday a little bit about this and he expressed a position about that. In the context of the agreement in relation to land tenure, really it was an agreement that was between representatives of environment groups and the forestry industry negotiating a landing point about reservation and wood supply. Really the clause that refers to land tenure in the agreement is aspirational. It says in clause 36: 'Government should deliver the highest appropriate land tenure protection under State and Commonwealth law for the new reserves'.

Now that work has been tabled in terms of the government's land tenure, and just to give an overall response on land tenure, it is consistent with the agreement but we are very disappointed that there is so little of the reserve area that has been given national park status. The overall assessment is that the government has, in our view, been probably overly pro-mining in the way that they have done the tenure work and it seems that the strategic prospectivity zones, that is, the north-west of the state and the north-east of the state have all been left open to mining anywhere -

Ms FORREST - This is an agreement about forestry and reservation, it's not supposed to be about mining and that was one of the things we made very clear at the outside that this is to stop trees being cut down and not to stop other uses. I hear you are disappointed about it and I fully expected that because I think you and your constituency expected national parks wall to wall in the 500 000 hectares that you proposed. My understanding was that was never going to happen, in my mind it was not going to happen I can tell you that

much and will mean the Tarkine, discuss it if necessary. This is where we have landed so does that have a negative impact on your ongoing support for the agreement?

Dr PULLINGER - In the context basically you are right, this was a negotiation between the timber industry and environment groups over which areas get logged and which areas don't. I am basically wanting to put that on the record, to be clear that basically only a very small proportion of the area proposed as reservation has national park status and 88 per cent of the reserve area is left open from a tenure point of view to mining and we just think the government - we understand there is a genuine conflict and particularly in the north-west and we are realistic about that fact but there are some, in my view, real no-brainers around national parks, places like the Styx Valley or the Bay of Fires as examples that don't have any real-world mineral prospectivity and we anticipated those sorts of places would or could be given national park status without running into those issues. That's just to put that on the record but you are right in the context of -

Ms FORREST - As far as your support for the agreement and your obligation to the requirements of the agreement.

Dr PULLINGER - As far as support for the agreement and our commitment to the agreement it doesn't change. I am just expressing that.

Mrs TAYLOR - That's what we asked Vica yesterday as well, so this won't breach the agreement and it doesn't stop your support for the agreement and it doesn't mean you are then going to go out and immediately start supporting groups that might say 'No, that's not good enough, this ought to be national park'.

Dr PULLINGER - It would be completely unfair for us to get stuck into the forestry industry if there is an open-cut mine that starts to be built in the Tarkine because that was not part of the negotiation, that is not a breach of the terms of the agreement. A breach of the terms of the agreement would be if you started logging areas that were supposed to be reserved.

Ms FORREST - I'm clearly hearing and I know, I live in the real world, that this won't stop Scott Jordan and others, including yourselves, meeting me in the Tarkine to a fight about a mine up there. It's a separate issue.

Dr PULLINGER - It's a separate issue.

Ms FORREST - Yes, that's right.

Dr PULLINGER - And we believe that the Tarkine is of outstanding value and that you can do good national park level protection for that area and have mining down the west coast but there is obviously -

Ms FORREST - They can co-exist but that's for another day.

Dr PULLINGER - That's another day, yes.

Ms FORREST - A debate for another day.

Mrs TAYLOR - But it doesn't stop you giving support to this agreement and to the forest products that come out of this?

Dr PULLINGER - That's right. As far as the agreement is concerned that's there.

Mr SKILLERN - It goes back to the point I made last week and that was our commitment to this agreement. As Phill has already alluded to, there are many in our constituency who had an expectation, rightly or wrongly, real world or not, that that would be the outcome. The fact that the land tenure is not that and that we are still supporting this agreement 100 per cent I think demonstrates our support for this agreement and we recognise, to use the 'real world' term, that this is the real world and we will back it in and, as I said last week, the responsibilities that go with that.

Ms FORREST - On the amendment, if it was to be supported or even debated on the floor of the House that enables every lot to be individually considered as we go through the schedule during the committee stage of the bill. Terry Edwards expressed some concern about that because of the risk of unpicking the agreement and also the lack of an initial durability report. I would like you to address your mind to those two aspects. We asked Vica about it as well but the risk of cherry-picking certain lots and 'accept or reject' as an entire package is still, as I understand it, the way it would proceed but it gives us a chance to individually assess each lot. Can you talk about those aspects? They are the major changes as I see them with the amendment.

Dr PULLINGER - That's right and it's still very much the case that the agreement is an integrated agreement and so if you start cherrypicking it is like pulling a thread from a cardigan. For every one of those areas in terms of reserves, the areas that the environment groups conceded and gave away in the negotiations to provide more wood to the industry - that was months of painstaking, agonising work - if you start changing those lots it is not going to be tenable, as it is not going to be tenable for the industry if you start fiddling and saying, 'Maybe they shouldn't have as much wood supply as was agreed', or whatever else it might be. That is really going to pull the threads of the agreement apart.

Ms FORREST - That is removing or trying to add; what about change in purposes and values?

Dr PULLINGER - The values and purposes go to the tenure issue. The tenure issue is that we didn't negotiate the details of tenure; we encapsulated an aspirational position and we would like you guys to have a look at seriously upgrading some of these areas to national park. The values and purposes and the tenure issue are basically the determination of the Legislative Council

Ms FORREST - And the department has presented?

Dr PULLINGER - The department has presented. That is where the decision is made.

Dr GOODWIN - Do you have a connection to any of the anti-mining groups like the TNC?

Dr PULLINGER - Yes.

Dr GOODWIN - What is your connection with that group?

Dr PULLINGER - I grew up on the north-west coast - I am from Burnie, which is my home area - and it is my love of the north-west coast and its natural values and love of the Tarkine that first got me involved in managed conservation in the first place. I love the Tarkine; I think it is absolutely fantastic. We are very privileged to have such a spectacular place on the north-west. I have been involved with the Tarkine National Coalition from its earliest days and continue to be involved with the organisation.

There is always going to be friction from time to time and they are one of the Tasmanian member organisations. We are an umbrella for community groups across the state. The north-west coast is my backyard and I have a strong personal connection to that area.

Dr GOODWIN - Do you have a formal position?

Dr PULLINGER - Yes, I sit on the board of the TNC.

Dr GOODWIN - So potentially that is a difficult issue, at least for you - or not just for you because Environment Tasmania also has a connection to that organisation as the umbrella.

Dr PULLINGER - Yes, that's right.

Mr SKILLERN - To make it clear, I am the CEO of Environment Tasmania, not Phill. Phill works for me and as a result of that he takes direction from me and I do not have, nor have I ever had, any connection with the TNC, other than it being a member group of [inaudible]. I clarify that in case there is some implication that somehow, in Phill's position, that sullies his judgment. If it were to do so, and I don't believe it has, he still reports to me and I make the final decision.

Ms FORREST - Regarding TNC's comments in the media, Scott Jordan has been the spokesperson. Has he made any comment about forestry in the Tarkine or is he focussing entirely on mining. Our tourism industry [inaudible]. If each of you are supporting this agreement and your member organisations - TNC is one - has he been adversely commenting on this process?

Dr PULLINGER - I have heard him express a lot of concern and agro about the mining issues but I haven't heard him get stuck into forestry, but I could be corrected on that.

Ms FORREST - I haven't either but I was just wondering if you should be more aware of what your organisation does.

Mr VALENTINE - You said you hope you guys extend some of these areas into national parks. You're not expecting that to happen through this particular process, are you? Are you expecting that to happen later on down the track? Obviously it would be government that would be putting that through rather than us. We sit on judgment on what government does.

Dr PULLINGER - The point I was making is in terms of tenure, values and purposes; the Legislative Council has the power to change that.

Mrs TAYLOR - In relation to specialty timbers, we have heard lots of concern that the area set aside for forestry will not supply enough. I know the special council is going to be in session and hopefully will sort something out, but what happens if the area set aside for forestry does not contain enough specialty timbers?

Dr PULLINGER - It is a difficult issue and one that was very difficult in the context of negotiations.

Mrs TAYLOR - There is a commitment to supply 12 500 cubic metres or whatever a year, but if it's not there how does that affect it?

Dr PULLINGER - There are two parts to the agreement - immediate term and then the medium to longer term. There is an agreement that there is a need to supply specialty timbers for the specialty timber sector. There are some targets as an interim that are set out in the special timbers strategy and then there is a process to do a lot more work on it. The balance in the negotiations process is about ensuring there are enough areas set aside for specialty timbers versus removing the marketing challenge of having industry based around the logging of large areas of World Heritage-quality rainforests. That was one of the challenges we grappled with during the process.

The vast majority of specialty timber supply is from Blackwood, more than 80 per cent, and 97.5 per cent of Blackwood forest areas, as part of the statement of principles, were carved out of reserves and left open for production. Similarly, Mark Burgman estimated that approximately 80 per cent of the silver wattle, which is one of the timbers, is available and that essentially all the Huon Pine areas are available. The more difficult issue has been around myrtle, sassafras and celery-top pine. The agreement provides [inaudible] more than 40 000 hectares of myrtle rainforest for the sector and a bit chunk of that is from within areas that were part of the reserved area.

To be honest, we really struggled with it - which is my criticism of the process - because some of these areas came out very highly on the heritage assessment but the industry was very strong in saying, 'We need more of these areas within reserve set aside for special timbers'. Some of those areas that came up highly in the reserve assessment we were worried about but we thought were from the edges of the reserves, the edges of the Tarkine and the edges down on the west coast that we put into that special zone to give more comfort and give us the time and space to work through that process.

Mr WARMAN - Can I just correct an error I made in the quote from Mark Burgman? His quote was that a significant portion of the silver wattle forests was in state forest; the 80 per cent figure was a calculation I made. I just didn't want Mark to be misquoted.

Mrs TAYLOR - It's just that we have been told over the last couple of weeks that there are grave concerns that the area set aside do not contain sufficient resource, so they won't be able to meet the quotas.

Dr PULLINGER - Basically the balance or the landing point we reached was really around continuing a short-term supply security there and we need to do the work because there are a log of gaps in the information and a lot more work that needs to be done around a

range of areas and also in improving the way we do things in terms of the way those areas are managed.

Mr WARMAN - It is worth noting that the figure of 12 500 cubic metres is in Forestry Tasmania's special timbers strategy and is actually for the period 2009-19, so it wasn't written as an ongoing in perpetuity sustainable yield. They did some very rough calculations and used some very, in their own words, conservative estimates as to how much wood was actually in those forests. Even if you take what they've done there and break it down as Phil is doing into those different species, for example, the blackwood and silver wattle, which actually don't come from those rainforests, which make up more than 85 per cent of that, and when you look at the Huon pine, most of that resource in the Teepookana area was taken out of the reserve proposal and made available through the craft zone, you are really just left with the tricky ones, the myrtle and celery-top, which between them under that strategy for the next several years will be only 500 cubic metres each.

Even if you take the very conservative yield figures that Forestry Tasmania used in doing their estimates and just look coarsely at how much forest is there, you're looking at being able to provide the volumes that they talked about at least until the end of this century. They talk about being able to do it on a 200-year rotation, but overall you're looking at around 80 per cent of that initial aspiration of 12 500 being easily available for many decades into the future.

Mrs TAYLOR - No doubt the specialty timber industry is listening to this because we are seeing them next time, I think, and we will see how they feel about that.

Mr MULDER - Just picking up where you said that some of these specialty timbers areas are rated very highly, is there some score sheet, and maybe you can help Vanessa by giving her the criteria and the score attached to each in these areas? How do you come to the conclusion that something is higher than something else?

Dr PULLINGER - As an example, and just to walk through the negotiations process with the industry on the special timber industry issue, on multiple occasions we drew circles on the maps and we received advice from the FT planners about areas that were rich in specialty timbers that was I asked to look at to see if we could shift our position to allow it to be open to logging. In large part they were from in or around the edges of the Tarkine and some areas of the west coast that the heritage expert had identified as of World Heritage significance, rainforest that was of significance on a global scale.

Mr MULDER - So its high conservation value relates to its location adjacent to other areas rather than any assessment of the biodiversity issues that it may or may not contain?

Dr PULLINGER - No. The experts audited each of the areas against 10 conservation values. For example, on the heritage assessment, the question was is this an area of significance for nature at a national level -

Mr MULDER - So if it scores two it's of conservation value, if it scores eight it's of high conservation value - is that how it works?

Dr PULLINGER - No. Basically there is a set of criteria for World Heritage which is an international benchmark and there is a set of criteria for national heritage which is a national benchmark. The heritage assessment was against those criteria - does this meet the standards at the global scale for World Heritage significance?

Mr MULDER - Does it meet all of the standards?

Dr PULLINGER - If it meets one of the criteria for World Heritage significance -

Mr MULDER - If it meets one criterion, it's in?

Dr PULLINGER - Basically, that's right. If a property, whether it be the Vatican or a Tasmanian Wilderness World Heritage Area or other World Heritage properties -

Mr MULDER - They're both as mysteriously unknown as each other. A very valid connection, I would have thought.

Mr WARMAN - In relation specifically to your question about the biodiversity in the Tasmanian Wilderness World Heritage Area, one of its reasons is because of the tall eucalypt forest-rainforest mix and the Gondwanan rainforest, so it has a biodiversity quality that is recognised as being of World Heritage value and those are the exact same forests that happen to be where the special timbers are.

Dr PULLINGER - You raised a question around selective logging and changing practices and one of the things that happened along the way is that, in multiple instances, we said no because the industry weren't just asking for us to provide wood supply, they also said, 'You have to factor this agreement in and it's got to be saleable and marketable, so you have to put your hand on your heart and do both those things - provide wood and back it in - and say you're comfortable about this.'

So in the first instance, and for several months along the way, we said, 'We feel really uncomfortable about saying with our hand on our heart that these areas of myrtle rainforest that the heritage expert has said is of potential significance on a global scale should be open for logging.'. But the industry said again and again, 'Can you please look again and consider if we change the way we do things there's a much lighter footprint in terms of some special areas.'. That's where the special timber zones in the agreement evolved from, from that assurance by industry around doing things more sensitively and our, I guess, looking at the edges to see where there was disturbance or some level of impact already that we felt could be managed if the zone is managed very carefully.

Mr MULDER - Summing up, I think the answer to my question was that if it ticks one criterion it's high conservation value, so either it is or it isn't.

Dr PULLINGER - If it meets the standard for the relevant benchmark then that's basically what they said; it either does or doesn't meet that standard.

Mr VALENTINE - In relation to specialty timbers, obviously you're aware of how important they are for many people in the community.

Dr PULLINGER - Yes.

Mr VALENTINE - What's your feeling in terms of the capacity of the area that's been set aside for specialty timbers to sustainably meet that demand over the timeframe that's needed? For instance, if you take celery-top pine, it's a 400 year cycle for boat building but for more minor other use it might be 200 years. I am interested to know whether there was any effort put into understanding the areas that have been set aside and how that cycle can be achieved. From your perspective, did you do anything on that or is that all Forestry Tasmania?

Dr PULLINGER - It is one area. Because a lot of the wood resource modelling was focused around the eucalypt forest and production, and there is a lot of precision around the eucalypt forest, it was more difficult around all those different species. There is a body of work that went into Forestry Tasmania's special timbers strategy. There is some data but limited in the expert group's report about special timbers and them identifying that there needs to be more work done.

Mr VALENTINE - Is that work is being done?

Dr PULLINGER - That work - particularly the short-term work - is being done by Forestry Tasmania at the moment. There is a bigger body of work that needs to be done that we have outlined in all the dot points contained in that process.

Mr VALENTINE - So at the end of this, if Forestry Tasmania comes back and says, 'We've set aside x - the area - for specialty timbers and we really don't think it's going to meet the demand based on our calculations, we need to do single-stick harvesting out of some of these other areas', what would your response be?

Dr PULLINGER - That's part of the discussion that occurred back and forth across the table and that's part of where these special zones evolved and came from. It was us essentially saying that in a production forest there is more than half a million hectares of native forests that contains a mix of species. There are these blackwood areas, there are areas of rainforest and really the specialty timber sector should be based around small volumes of niche product. The push-back from the industry was, 'No, we're still not comfortable, we need some more comfort around areas potentially being available if they need to be', and that is where those special zones came from.

Mr VALENTINE - So there are zones outside of the allocated zones that could potentially be targeted for special timbers, provided they are harvested in a sustainable - no?

Dr PULLINGER - No.

Mr VALENTINE - I'm sorry, I'm trying to understand it.

Dr PULLINGER - I guess the point that you are making is can some areas that are part of the reserve proposal potentially be used in a sensitive way for the production of specialty timbers if they need to be.

Mr VALENTINE - If the cycles show that they need to be.

Dr PULLINGER - What I am saying is that that discussion did occur across the table and that is where those special zones came from because a big chunk of that area is areas that were from the reserve proposal that we wanted to see reserved because of the nature conservation values. But instead of being reserved, they have been put into that zone in case they are needed.

Mr VALENTINE - Thank you.

Mr WARMAN - I think it is worth appreciating that to date the special timbers industry is being supplied largely as a result of the arisings from the logging of the mature eucalypt forests and Mark Burgman referred to that in his work in the IVG. He also noted that that logging of those mature eucalypt forests was due to cease sometime between 2020 and 2030 under Forestry Tasmania's most recent plans before this process, at which point the special timbers industry was potentially going to face a very different future.

Because that timber has been arising as a result of taking out the eucalypts there has been an opportunity there to present it.

Mr VALENTINE - A lot of it went up in smoke, mind you, and it should not have.

Mr WARMAN - It has not always been used as efficiently as it could have been in the process and it has been really cheap as well in the process.

Mr VALENTINE - And we are going to be paying for that into the future.

Mr WARMAN - The specialty timber industry was facing in the next couple of decades a major shake-up in how it sourced its timber anyway and it is something that Forestry Tasmania has been grappling with in how they think.

You might have seen in their most recent annual report that they now consider managing their special timbers zones as a community service obligation.

Mr VALENTINE - What, because of the costs involved?

Mr WARMAN - They are starting to recognise that to manage those very small volumes is very expensive.

Mr VALENTINE - Is that in order to keep the cost of the product to the community down?

Mr WARMAN - I think so. In the conversations I have had with special timbers operators who are producing things like Huon pine, I've found that a lot of them are willing to pay a lot more than they have been paying so I do not think that is necessarily common for the parts of the special timbers sector that's jobs rich and that we all value as part of Brand Tasmania.

Mr VALENTINE - Has there been discussion around that? For someone out there in the world who's making, for example, wooden bananas out of Huon pine, that's little offcuts that they use. The value of this timber is really significant, isn't it, and have we really been paying the true value of timber? That is the question I raise. It seems to me we are getting to a position now where we realise what we are dealing with here is an absolutely

finite resource rather than a sustainable one. It is simply not sustainable. If you are talking about a 400-year cycle I cannot see that we can continue to harvest over that period of time and expect it to renew at the rate you are going to use it. There is going to have to be some sort of -

Mr WARMAN - I think that is part of the discussion that needs to be had and that we are heading towards anyway. I am confident that the relative amount of resources available is significant and there are significant opportunities particularly for the high value end, which is where a lot of the jobs are in the special timbers sector.

Mrs TAYLOR - It is the celery-top boats that probably have the biggest requirement because they need quantity and size.

Mr WARMAN - Even those species in recent years in the current regime have been fluctuating. If you look over the last several years the special timbers have fluctuated between 4 per cent and 400 per cent of their targeted volumes just in the last three or four years. Again, that really reflects that these timbers for the most part, probably with the exception of Huon pine and blackwood, have not been harvested because they are managed in the same way as eucalypts but it has just been what arises as a result of what areas are being logged for eucalypts. Again that points to the fact that we are moving into an area and there has been a degree of undervaluing going on.

Mr VALENTINE - Thanks, Mr Chairman. I think my questions have been answered.

CHAIR - We had better roll because we do need to get to your response to the durability issue.

Dr PULLINGER - The durability report, yes. Are you just asking where our thinking is on that amendment to -

Ms FORREST - Terry Edwards, as you are probably aware, expressed some concerns about the first durability report not appearing in the proposed amendment or taking it out of the process. I know the government is working with the signatories.

Dr PULLINGER - Yes, that's right.

Ms FORREST - We were informed by the department yesterday around this issue. So that was a key issue for the industry signatories?

Dr PULLINGER - Yes.

Ms FORREST - What about you guys?

Dr PULLINGER - From my reading of the government's amendment, the intent of the government was to try to address some of the timeline issues in one instance and also to table all the details of the protection order which is what the Legislative Council were after. One unintended consequence was that it raised a concern for the industry around the status of the durability report, which is really important to them and that it is locked in, that it is part of the process and that it has proper legislative status. We understand that and we are working through that with them at the moment as a group of signatories

to try to grapple around addressing their concerns that the durability report does occur properly before the legislation is debated and voted on.

Ms Forrest - Or a protection order at least.

Dr PULLINGER - Protection order, yes, that's right.

Ms FORREST - That is what we are talking about, isn't it?

Dr PULLINGER - As was the intent. It is also critically important that we have a realistic timetable to move the agreement forward and get it in place and get it working for us, and that is around the proposed reserves as well. We are working through that at the moment.

Ms FORREST - Overall, Phill, does ET, as signatory, support or oppose the government amendments?

Dr PULLINGER - At the moment, we are working through it with the signatories on face value. Last week we did not see that there was a problem with it. In fact, we thought it was good because it basically brought the timing together and enabled the whole agreement to move forward in an expeditious way. But it is clear that the industry is concerned about the durability report and the status of that, and that it is given proper function and status. We are working through that at the moment, to make sure that issue is addressed to their satisfaction.

Ms FORREST - On the amendments. You are probably aware there were other amendments proposed by other members - yourself and others - during the debate. They have not been finalised in any way, shape or form at this stage. But do you have any concerns about any of those proposed amendments? Some of them will make some of mine and some of Tony Mulder's superfluous or unnecessary. But some of the others concerning sovereign risk protection and the more frequent durability reports - are they issues for you or not?

Dr PULLINGER - Yes. I think that one is in the agreement, so that is fine. The ones we had concerns about were those changing the wood supply figure. I think that was Tony's amendment, but you had a bit of context about that. Nonetheless, that is obviously not consistent with the agreement. I am not sure that I saw all of them but the others we had concerns about were related to changing the timing, or the staging, of the reserves. That would not be consistent with the agreement.

Ms FORREST - I sought some with more regular reporting for the durability report - annually, if there was not -

Dr PULLINGER - Annual durability reports. On face value, I do not see that there would be a major issue with that. I cannot see that. There would be an issue if you start rewiring how durability reports interact with the reserves. If we start changing the timing of the reserves - that core architecture of how the reserves roll out.

Ms FORREST - One of the others was to link the durability report to clause 4, and possibly clause 41 as well, to ensure that what was in the durability report reflected what is in the agreement.

Dr PULLINGER - Yes. That is the intent - that the durability report has the scope to look at elements of the agreement, and whether or not they are progressing well or not. That is pretty consistent with the agreement.

Ms FORREST - There are also members of the Forest Practices Authority considering the triple bottom line in their determinations.

Dr PULLINGER - I am not 100 per cent sure that I have the up-to-date version of that.

Ms FORREST - It is still a work in progress. This is the principal of the matter, amending the Forestry Act.

Dr PULLINGER - Our strong pivot point is really around the agreement, and what is written into the agreement. Clause 53 relates to the Forest Practices Act and the intent is to give recognition to the vision of this agreement and the outcomes of the agreement, and consideration of social, economic, and environmental outcomes whilst maintaining the ongoing application of the Forest Practices Code. One thing that we are anxious about is that this is not, nor should it be interpreted as, winding back or watering down the Forest Practices Code. The industry was very clear about that with us, across the table and in presentations. It is important that there is a benchmark in the relation to that, but the code does link into the agreement as per that clause.

Ms FORREST - I expect when these things are finalised, you will have a comment perhaps?

Dr PULLINGER - Yes, that is right. We would certainly want to see a final version of this to make sure we are happy that it is consistent with the agreement, and there are no unintended consequences.

CHAIR - On that same matter, with regard to the proposed reserves and the World Heritage nomination, can you lead me to any provision of the IGA or the statement of principles that was the genesis for the claim for the World Heritage Area? I haven't been able to see in the IGA or the statement of principles where the aspiration for World Heritage is set out, but it has now arisen as clause 37 of the TFA.

Dr PULLINGER - In the statement of principles, one of the clauses was for the protection of the proposed reserves - proposed by the environment groups. There was an assessment against all the conservation criteria in the IGA, and one of the criteria was national and world heritage values. There is a subset of reserves, down the eastern boundary of the existing World Heritage Area, which was recognised as of world heritage significance. That was one of the components of the forest agreement, that asked the governments to nominate that subset as an extension to the existing World Heritage Area - that was clause 37.

CHAIR - Yes, I am familiar with that, but I can't see the linkage that brought us to that point from either the statement of principles or the IGA. You have mentioned the statement of principles. Would you like to go there now?

Dr PULLINGER - The statement of principles said these areas should be protected. World Heritage is a subset, and we are going about protecting that subset of the reserved areas. In terms of conservation outcomes, there are state-level protections. There is the 500 000 hectares and the agreement outlines the state-level protections that the groups would like to see in place - that is, the protection order and the subsequent gazettal as reserves. The agreement also outlines the commonwealth protections over those areas with a commonwealth conservation agreement under the Environment Protection Biodiversity Conservation Act, and for a small subset of the reserves there is a minor extension to the existing World Heritage Area.

CHAIR - You have in front of you the future reserve land proposal map. That is not consistent with map C, because with map C the aspiration is for a fair bit more. I have had a look and there's a whole heap of stuff on the future reserve land that isn't identified for World Heritage. If the federal minister proceeds with the state government's proposal there is a whole heap which will not be World Heritage and I would have thought, looking at this, it's not going to come anywhere near 123 500 hectares.

Dr PULLINGER - There is state law, which is represented here, and commonwealth jurisdiction. World Heritage doesn't determine land tenure. The state parliament determines land tenure and whether an area is open to mining, or a conservation area, or a national park. This is basically the state land classification and under the commonwealth there should be a variation on a World Heritage nomination relating to map C - a conservation agreement over the full area of reserves. They are two separate jurisdictions.

CHAIR - Yes, but what if minister Burke deletes from the World Heritage nomination the state reserve area. They will just simply be state reserves of a different kind and not World Heritage. What does that do to the agreement, TFA, to submit 123 650 hectares? It won't be World Heritage.

Dr PULLINGER - It would be problematic. That is the sort of caution we are looking for at a state and federal level to be embedded in the agreement. If the state government only nominated a proportion of these areas for formal reservation, or if some of the areas for formal reservation were deleted, that would be a problem because it would be inconsistent with the agreement. Similarly, if the conservation agreement on the World Heritage area, at a federal level, didn't happen, that would obviously be a problem as well. As it would be for the industry if the commonwealth requirements around funding and so on were pulled off the table - that would obviously be a problem. There are requests and responsibilities or actions that are asked of both the state and commonwealth governments in the agreement; so those two things are the commonwealth.

CHAIR - Isn't it true, though, that your clear expectation is that 123 650 hectares will be World Heritage? I understand the overlay principle; we visited that fairly extensively with Vica Bayley earlier and I think we all understand that principle of the overlay component. You have said it will be problematic if minister Burke does not submit that which is set out in clause 37?

Dr PULLINGER - Yes, for us it's really conservation outcomes, so there are a number of courses there. You are asking specifically about that and I'm saying yes, it will be, but if you look at the conservation outcomes, they are critical for us to have a mandate to support this agreement. If any one of those conservation outcomes was pulled off the table or significantly changed, it would be highly problematic for us because that's the basis upon which we signed the agreement.

Ms FORREST - It's not just the World Heritage area, but other regions.

Dr PULLINGER - Providing protection of the reserves in the state protections, some commonwealth protections and the order of the delivery of those reserves in terms of the tranches.

Mrs TAYLOR - Going back to the actual agreement, as we have said already, the agreement is about not logging or having working forests in these areas and that is actually about conservation of an area which is much more than about logging or not logging.

Dr PULLINGER - In terms of the World -

Mrs TAYLOR - The World Heritage area. This agreement is between the industry and environmental groups about 'These forests can be logged; these forests cannot be logged'. Having a clause which says, 'This area will go into World Heritage' is much broader than just logging or not logging.

Dr PULLINGER - It basically requires the governments to protect the World Heritage values of that area.

Mrs TAYLOR - More than just logging.

Dr PULLINGER - Yes, that's right, but what the agreement provides for is that there needs to a legal protection to protect conservation values at a state level and at a federal level.

Mrs TAYLOR - No, the agreement is - and you said this at the beginning - about logging or not logging in those areas. I suppose that's one of the difficulties that we've had in not passing the bill in the first place. It is that all these other people, like tourism, mining, beekeepers and local government who have come in and said, 'Why were we not involved?'. The answer has been, and made pretty clear to us during the last couple of weeks, that it's because this is about an agreement between the working forests and environmental groups about not logging these areas. If it's only about not logging these areas, then you do not need to involve other interested parties, if you like.

But if it's about setting aside as a World Heritage area, then that does have implications for mining and forestry and beekeepers, and a whole range of other things. The government's response - DPIPWE or Parks and Wildlife's response has been that it doesn't matter because under the land tenure, even if it's a World Heritage area, there are still land management plans that you can do so you could still have some of these things happening within land management but it obviously makes it more difficult. I suppose I just want some clarity: Is it about logging or not logging, or is it about other conservation values? If it's about other conservation values, then shouldn't you have brought other people into the process?

Dr PULLINGER - That point's correct. For example, on the tenure, it is the state parliament that manages the land use. You do the management plan so that's where the decision is made through that process. Tourism is one of the examples that you raise. It's a good example; basically, because until you've actually got to an agreement on whether it's going to be reserved, it's really at that stage in the process that you actually work out the management plan of how and where you can do things like nature-based tourism.

Mrs TAYLOR - But you have to agree that the access for tourism or how easy it is for them to do developments is very much dependent on the level of reserve. For regional reserves, it's relatively simple. They still have to comply with all the other regulations or acts but in a regional reserve it's going to be a whole lot easier to get permission for a commercial eco-based tourism development than it is in a World Heritage area. It's pretty hard to get a commercial tourism development up in a World Heritage area - much harder. It is the same with mining.

Dr PULLINGER - We think there is a big opportunity around the new reserves to do some pretty constructive stuff around nature-based tourism and we're very committed to it.

Mrs TAYLOR - Commercial?

Dr PULLINGER - A whole suite. One example I'd like to point to, which we talked about a little with the Tourism Industry Council, is the Tarkine tourism development plan which you would be familiar with. I thought it was a very positive process conducted and completed a year or two ago by the Cradle Coast Authority. It basically looked at the area in its entirety; it looked at the suite of values, existing infrastructure, access, facilities and opportunities for private investment around the region, for example. What the tourism industry, environment groups and some local councils got around the table to actually put together is a plan which, in large part, is supported by everyone. So, then you've got a really good template. I think there's that sort of opportunity with the new reserve areas coming with the agreement.

Mr GAFFNEY - We talk about logging versus not logging and I understand that, but it was also stated that it was a compromise between the signatories at the beginning. So, for a long time the environment group was saying, 'No logging in public native forest areas' and that was the main game, and you guys had given up some stuff there. In return, the World Heritage area is a balance up for the industry which said they could live with that because that's what's on the table. I don't really have an issue with it being harder for tourism to have to go through regulations in a World Heritage area. It should be more difficult for tourist operators to work in a World Heritage area because the values are more sensitive. It's not that they can't do it; it just makes it more difficult. I don't have a real issue with that.

Even though we've had groups like tourism and TFGA saying they haven't been involved in discussions, meaning that they haven't had a place at the table. I don't see that any of the signatories in Tasmania have been sitting in their little silo saying, 'No, we won't talk to you'. Over the last three years, everybody knows the names of the groups of the signatories and everybody in Tasmania at that level knows everybody anyway, so it's not difficult to have a discussion.

Once you worked with the industry group, the signatories around the table, at what stage during those discussions did you say, 'This is enough around the table and these are the 10 people we have'? Was there any group you thought should have been at the table right from the beginning? It has come up a bit that, 'We weren't at the table', and I think some of those groups were actually invited to the table and initially chose not to be there because it wasn't their bailiwick. Maybe they thought it was going to fall over, I don't know.

Dr PULLINGER - From my point of view it's been an incredibly difficult task. I will use our organisation as an example. We have 20 different member groups that all have different boards, government structures and processes and it's a very hard job for us to work to a position. In the first instance the thinking at a simple level was that everyone in the Tasmanian community has a stake in this, it has been split down the middle for decades and it needs to be fixed. To see whether or not it can be fixed is getting the core frontline protagonists who have been at loggerheads to see if it's possible to reach an agreement. In May 2010, when we started these talks there was huge mistrust, up to 30 years of aggravation, and the first hurdle we set ourselves was whether it was even worth talking to each other and starting this discussion in terms of industry and environment groups?

You had industry and the environment groups in the early days, and at the environment groups level we had three groups at the table and we set up a forest reference group, a broader set of environment groups that had interests in native forest conservation, and the industry set up a broader reference group including people from the private forest sector, for example. Some of the people involved in those reference groups in the early days subsequently stepped back - for example, the TCT stepped back out of our reference group, and I understand the TFGA did the same thing. It was around things such as details of management plans, how and where you do tourism and all of that level of work. The challenge for us was to get an agreement over the core proposition around the environment groups and industry getting their aggravation resolved and opening up all those other opportunities that will come out of resolution. The Tourism Industry Council absolutely should be involved in the process of where and how you do nature-based tourism and getting good regional strategies together for the Great Western Tiers and other places and the opportunities that arise from that.

Mr GAFFNEY - Further to that, some people see this as the end but it is actually a starting point. The special council is set up for other groups and people who then need to feed into the process, because you guys have come to some agreement, and as recognised, not everyone is happy but it is a compromise. That is when the other groups can come on board and take it from there to the next step. I think it has the potential to heal some of the division in the community.

Dr PULLINGER - I absolutely agree with that statement. We have to get out of the polarised positions and this idea that if you care about nature you are therefore anti-industry. I absolutely disagree with that, it's not correct. Most Tasmanians care about nature and it doesn't mean they are anti-industry. We want this process to prove that that's not right and, similarly, the idea that if you care about the forestry industry therefore you don't care about nature. That's not right either.

We think this agreement provides the opportunity to pull that together and say that both of these things can be achieved for Tasmania. We can have great nature conservation in Tasmania and be the sort of leading light that people that Olegas Truchanas talked about. We can also stabilise and rebuild our industry and have the majority of the community behind it and proud about it. I think we can also grow new opportunities and other things like nature-based tourism and there are great opportunities for Tasmania if we can get past this divisive issue.

Mr GAFFNEY - It clarified for me the intent of the agreement and that it is just not the signatories from here on in, there are opportunities for those other groups who want to have an input into what happens from here will be able to because of the special committee. It also shows that initially when the discussion came about some of them were at the table but they chose not to be involved because there was no need at that stage, so it did help clarify that position because that has been raised by a number of the groups that have been here over the last week or so, so thank you.

Mr WILKINSON - I want to get a couple of things straight in relation to a couple of answers. I understand - and please tell me if I am wrong - that in relation to World Heritage, industry agreed to recommend the 123 000 we're talking about to the government, but they didn't agree that that was World Heritage, did they? They agreed to put that up for the government's consideration. I understand there's a bit of a difference in relation to what you were saying because they said they agreed to recommend 123 000 to the government but it was only for their consideration as opposed to accepting that it was World Heritage.

Dr PULLINGER - It says 37 of the signatories recommend that government nominate to the World Heritage Committee for consideration in June 2013, so the World Heritage Committee will consider whether or not the areas in that map are up to scratch in June 2013.

Mr WARMAN - That could go back to the earlier discussion about the signatories asking independent experts to verify whether or not these areas had World Heritage values, which they did.

Mr WILKINSON - The other thing I want to confirm for my mind is that industry also, as I understand it, advised the environmental groups on more than one occasion that they wouldn't agree to any tenure outcome that restricted any other industry. Is that right?

Dr PULLINGER - We are very anxious around mining. Another area in the independent expert group's assessment that came up as having potential for World Heritage was the Tarkine, and across the negotiating table we certainly said that area should be considered to be progressed for World Heritage. The industry was not cool on that concept because of the concern around mining.

Mr WILKINSON - You mentioned that the Butlers forest was the last tall, wet old-growth area. That's not the case, is it? It's the last tall, wet, old-growth area amongst the unreserved areas, because of course reserves take in that type of forest already when you look at the Styx, the Florentine, the Weld Valley, Mount Field - you can go on. There are plenty of those areas but they are already in reserve.

Dr PULLINGER - This goes into more detail in the heritage assessment, but the Butlers Gorge area is part of the largest stretch of tall eucalypt forests on the planet, some of which is already in reserve in the existing World Heritage Area, a big chunk of which, the Butlers Gorge area, the addition to the reserve is not.

Mr WILKINSON - I thought you'd said it's the last area of tall [eucalypt forest] with old growth, but that's not the case.

Dr PULLINGER - No.

Mr DEAN - Obviously you were listening in to the hearing with Vica yesterday and the questions asked there, and I guess my question more to the CEO: there appears to be a conflict for you in relation to this agreement and the submission that you provided to the inquiry into the Australian forestry industry, the select committee inquiry in 2011. Specifically those areas I outlined from yesterday and it relates to the biodiversity area, about retaining the extra logging residues on the forest floor and that's a necessity, which you have said in that submission, which you are one of the signatories to. You also made the comment in that submission that hardwood plantations can now entirely replace native forest woodchip production and in your recommendation you made a comment that:

Support the protection of all remaining native forests across the continent to maintain and enhance its quality and extent and facilitate the management required to optimise the biodiversity, water, amenity and carbon values of these forests.

There appears to be a direct conflict, in my opinion, between what you have signed off in the TFA and at that submission, so what is now the position of Environment Tasmania?

Mr SKILLERN - I am going to do something very untoward and hand back to Phill.

Dr PULLINGER - I have to look at the exact reference -

Mr DEAN - Sorry, I should say your round table hearings were well and truly underway. As we know, they commenced in May 2010. This submission was put in well and truly after the round table was considering the position.

Dr PULLINGER - I guess I should point out that that is an expression of our policy positions going into and during the negotiations process. As we have previously outlined, we had to compromise in this agreement from our policy positions to reach an agreement. That was basically part of the deal and the agreement.

Mr DEAN - It comes down to durability, so that now means that you will support native forest logging and you will support clearfelling to some extent because of the cable logging and so on, and you will support that without any further protests against those activities during the term of this agreement.

Mr SKILLERN - I think I will answer that one. I have said this twice now, but I will say it three times: Environment Tasmania as an organisation has signed on to this agreement, and I said this last week, we didn't take that decision lightly. We thought long and hard

about it. Having signed on to this agreement there are a raft of responsibilities and issues that have come up and we've mentioned some today. I think quoting that report and where we stand now shows again, once more, the commitment that we have made to this agreement. There are many people within our constituency who aren't necessarily comfortable, as Phill has alluded to a number of times at our two hearings where we've got to, but at the end of the day if we're serious about resolving this issue, all of us - conservationists, industry, unions, farmers - have to make some sort of compromise.

We have made compromise and you have just really highlighted for everybody the extent of the compromise that we've actually made. As an organisation we don't resile from those compromises. As I've said and I will reiterate again, we have signed this agreement, we accept that there are some issues, we accept that we are not comfortable with some of those issues, but we have signed an agreement and we will back that agreement in. In a moment Phill will give you an indication of the extent to which we will back that agreement in.

Mr DEAN - The reason I asked the question is I just wanted clarification of that -

Mr SKILLERN - I appreciate that.

Mr DEAN - in relation to the position held by you only 12 months or so ago in that submission.

Mr SKILLERN - But I emphasise again, that's the extent to which we have committed to this agreement and I think it points to it very well the extent to which we have compromised. Let's be fair, on the other side of the coin the industry has also compromised. This hasn't been only about us and both sides have compromised. But that is the nature of negotiation, that is the nature of agreement. Parties come together, they all have a position and somewhere between those two positions is the middle and that is the point where both parties - or whatever number of parties - can agree to live with. That's the point we have come to. The TFA represents that point. This is where we can live - none of us may be comfortable with it but that's where we will live and that's what we have signed on to. I can't stress that enough.

Mr DEAN - I have concerns about negotiation and what identifies as negotiation and how that is formed. That's another issue that I am wrestling with.

Mr MULDER - I would like to pursue the FSC certification process which I think everyone thoroughly understands and no doubt you have anticipated my question, given the fact that I have run this through with some of the other ENGOs. It comes down to that there is a recognition in this agreement that for at least a while in some of the timber production zones, there will be a continuation of clearfelling, cable logging and those sorts of practices. I think you have made it clear in your commitment to the agreement, you are clear in things that you will work toward towards FSC certification for the remaining timber production forests - is that so?

Dr PULLINGER - Yes, that's absolutely right.

Mr MULDER - The question which flows from that is: if you did do anything to try to undermine the achievement of forest certification for the production forests, wouldn't that be an unequivocal breach of durability?

Dr PULLINGER - Yes.

CHAIR - That's it. I have no more questions lined up. Thanks Russell, Phill and Peter. Phill, you were going to go to something that Peter alluded to a minute ago.

Dr PULLINGER - There was one thing that we wanted to talk to and Vica touched on it yesterday. We have talked about this a few times. In the agreement, clause 2 says: 'The Signatories agree to publicly and proactively support the outcomes of this agreement, including in markets for Tasmanian forest products.' We wanted to table a market update that we have put together on behalf of the three environment groups that we are starting to distribute to key players in the market in Australia and internationally, basically updating the market on our commitment to the agreement, the fact that it was signed in November, the fact that both governments have supported it, that enabling legislation has gone through the lower House and the committee is currently reviewing it and they are hopeful of that legislation passing. We are also updating the market on the progress - particularly for us - on the key conservation outcomes of the agreement. I wanted to table that report.

Mr GAFFNEY - I notice you said that you are sending it internationally and nationally. Do you use GetUp! as a vehicle for your organisation to get the information out there? I am wondering what the relationship is between you guys and GetUp!.

Dr PULLINGER - We have talked and worked with GetUp! from time to time and they have had a keen interest in the forests issue in Tasmania both before and at times during this negotiations process. They have been pretty supportive of the agreement, from the statements that I have seen of GetUp!.

Mr GAFFNEY - Have you had any discussions with them since before Christmas when they presented it to the Legislative Council and now about where it is at, or not?

Dr PULLINGER - To be honest, I exchanged some Christmas text messages but -

Mr GAFFNEY - But nothing. You haven't used them as vehicle yet to get this information out there?

Dr PULLINGER - No. Basically we have an obligation under the agreement that in our first instance this is what we have been working on to meet. But through the process we have, we are talking and will continue to talk to as many fellow conservation groups and interested groups as we can to say that we think this agreement is important for nature conservation and urge people to get behind it and support it.

Mr GAFFNEY - Thank you.

CHAIR - Thank you.

THE WITNESSES WITHDREW.

Dr PETER WILLIAM VOLKER, DIRECTOR AND IMMEDIATE PAST PRESIDENT AND FELLOW, AND **Mr AIDAN FLANAGAN**, CHAIR OF THE TASMANIAN DIVISION, INSTITUTE OF FORESTERS OF AUSTRALIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR - Aidan and Peter, welcome to the proceedings of this committee and thank you for the submission which has been previously provided. I am sure you both understand the protection of parliamentary privilege that you have whilst in here, and that anything you say in here is unchallengeable in law but not outside the proceedings of these hearings. We will commence with asking you to make a presentation to the committee. We have your submission so we can reflect on that and questions may well arise from that as well as what you might lead to the committee today.

Mr FLANAGAN - The Institute of Foresters of Australia welcomes the opportunity to give evidence at this inquiry. I'm the chair of the division of Tasmania and a director of the institute. Dr Peter Volker is the immediate past president of the institute and a fellow. We also acknowledge and commend the Legislative Council in exercising its democratic right to consider the Tasmanian Forest Agreement Bill 2012. The tradition of scrutiny is the foundation of democracy which has its origins in Ancient Greece, where Athenian councillors were required to swear an oath, and I quote, to advise what was best for the city and to advise what was best for the people.

The IFA is the only professional organisation whose members are engaged in all branches of forest management, including conservation, forest growing and wood processing, academia, research and sustainable natural resource management in Australia and overseas. Our members have professional expertise in forest ecosystem management and services, environmental protection, conservation, sustainable harvesting and utilisation of forest goods and services, including the planning, management and protection of production and reserve forest lands.

Foresters are pragmatic conservationists whose approach incorporates the balance between economic, social and environmental values. Foresters promoted forest conservation well before it became a social badge. Many of Australia's national parks and areas of national value were protected through the direct intervention of foresters and often in conflict with prevailing political and social values. Our members consider themselves informed stewards of forests and we take this role seriously. This is why members are deeply concerned about the Tasmanian Forest Agreement Bill 2012.

This bill reflects a flawed process and may well be the worst piece of public forest policy proposed over the last 30-plus years. In essence, the signatories agreement and government response failed to meet the Tasmanian and Australian Government Intergovernmental Agreement objectives and fails to achieve a balanced, science-based and consultative outcome.

Governments have an obligation to consider community views on public assets and the broader community have a right to be consulted on such assets. Unfortunately it is apparent that the democratic principles of scrutiny, transparency and accountability have been lacking throughout this process. It is essentially a political process, which has been driven by narrow vested interests that may undermine the economic and social fabric of

many Tasmanian communities without delivering substantial environmental gains. I note that previous evidence and many submissions support this view.

The board of the IFA and the professional membership of the institute is deeply concerned that broader ramifications and possible adverse outcomes associated with this bill have not been considered. The IFA board is also concerned that public forest policy has been developed and the process of the implementation initiated without consultation from the only professional organisation representing forest managers. Public policy on health, education or other sectors would not be developed without the input of professional organisations.

The lack of engagement with the institute, as well as other stakeholders, has resulted in no comprehensive assessment of issues such as fire management and the potential decline in bushfire management and control capacity; forest health, including pests and disease identification and management; ecological management requirement including habitat diversity; access and infrastructure maintenance for stakeholders, fire management and economic activities; and research and development requirements, given that the majority of forest science, conservation, biodiversity research has traditionally been carried out by professional foresters and funded by the forest industry.

Social economic impacts which incorporate tipping points analysis to determine the resilience of businesses which rely on forest industry trade has not been undertaken, and impacts on costs due to trade leakage and a move to a greater reliance on imported timbers has also been ignored.

There is no doubt that the approach adopted under the signatories process and the proposed bill are contrary to contemporary international forest policy. Internationally, native timbers are seen as part of a natural system that meets people's needs and, by delivering value, people recognise the need to maintain forest health and biodiversity values. Where people receive no value, forests become liabilities and many conservation and biodiversity values are lost. The loss of these values is very real, especially on private land. This bill has the potential to devalue private native forest and, as such, undermine the commitments of the 1 600 Tasmanian farm foresters who finance the maintenance of such values on their land.

I also bring to the committee's attention developments in Canada where ENGOs and industry developed an agreed position on resource use which was implemented by government, not dissimilar to what is happening here in Tasmania. The conservation and industry outcomes were heralded as the basis of a new and stronger future. It is also being promoted in Australia as a case study on how agreed solutions can be achieved. However, despite agreement, conservation groups such as Greenpeace are actively undermining the agreement and promoting further conservation claims.

Earlier I mentioned the democratic tradition of scrutiny attributed to the Athenian system upon which many of our institutions are built. However, there is another piece of advice which also comes from these times and that is 'beware of Greeks bearing gifts'. Maybe with more scrutiny the tragedy which befell the Trojans would have been avoided. I personally believe that we have been fooled enough. Again, we thank you for the opportunity and welcome questions.

Dr GOODWIN - Aidan, you mentioned the 'risk of perverse outcomes'. Could you expand on that a bit, please?

Mr FLANAGAN - At the moment we have an agreement that is designed to provide conservation outcomes. We believe there is no guarantee for even an analysis of what those values are, how they will be met or what we are trying to achieve into it. There will also be proposed intensification of activities within the remaining productive forest which reduces the flexibility of forest managers to take into account a whole lot of biodiversity in other areas and we could run the risk of increasing the pressures on those areas at the detriment to the values within those areas.

We mentioned briefly the impacts on private native forest. At the moment there are many private native forest managers. Business plans are based on having a forest asset that they can realise at some stage and as a result they spend funds on the maintenance of biodiversity values within those forests. They exclude fire where possible; they manage weeds, pests, disease, other things like that for, in a lot of cases, community good. If the value of that becomes zero then the incentive to maintain that will go and therefore the risk to those forests and the values within them will also be magnified.

Also there is reliance on imported timber into Tasmania. Effectively Tasmania has been self-sufficient in timber needs; that will change, we believe. Where will that timber come from? If you go into Bunnings, for example, and you ask what is a good deck timber they will say merbau, a timber that comes from South-East Asia. Australia over the last 16 years, on research I have undertaken, has increased imports of timber from South-East Asia. A lot of those have had the same quality in terms of durability, other characteristics like good texture and colour, that our own native timbers produce. However, because we can no longer resource them domestically, we are importing them. Their management practices are not as superior as our own. Our policies in Australia and what we are looking at in Tasmania are undermining those global values as well. The actual cost on the community is yet to be realised, we believe, or fully understood. We believe that that in itself is a public asset, and policy has been driven in a way that is undermining the good to the public communities.

Dr VOLKER - As regards perverse outcomes, regarding this point about we are going to concentrate our forest production on a much smaller area, I think we have seen evidence of the response to that. When the last RFA was signed and the World Heritage boundaries were expanded and there was increased conservation area, the production activities moved closer to communities and people saw them. It is not a matter of whether they are hidden or not but it is a matter of people starting to realising the impact. You concentrate activities into a smaller area and it has to have a bigger impact on those areas. People start noticing them and this is going to add to that, so there is going to be, as I can see from the history of Tasmania, more outcry about the intensive activities on the land that is going to be used. From that point of view we are yet to see what is going to happen. It is going to be a real test of the ENGOS' commitment to this agreement because I do not think they will like some of the things that may happen.

The other issue is regulation. As it stands at the moment, we have a production forest estate and we apply the forest practices code to that estate. It almost ignores completely the fact that we have reserves. Someone put it to me the other day that if there was only 100 hectares of forest left in Tasmania for production activities, we would still apply the

forest practices code in its entirety to that 100 hectares, ignoring the fact that the rest of the estate is in reserves. There is a bit of danger both ways because one argument is we ignore everything and totally destroy that 100 hectares or we do something in between, but at the moment we do not know how regulations are going to change and what effect they are going to have on the remaining production forests. There are a whole lot of outcomes that we just do not understand at the moment. That is a bit of a concern for these sorts of perverse outcomes.

Dr GOODWIN - You also say you believe it to be the worst piece of public forest policy you have seen in the last 35 years. That is a fairly big statement to make. Do you want to back it up with some of your reasons?

Mr FLANAGAN - We had a discussion at the IFA board level not long ago with all members representing all states.

Mr DEAN - What is your membership?

Mr FLANAGAN - We have about 1 200 members.

Mr DEAN - Across the country?

Mr FLANAGAN - Across the country. It's just over 100 in Tasmania.

Dr VOLKER - That's about half of the professional graduate foresters in the country.

Mr FLANAGAN - The board is represented by a wealth of experience and some of those have had most of that at the federal level and have gone through this over a number of different scenarios. There was widespread acceptance that the entire basis of the process, the terms of reference that drove it, the premises that underpinned it were total failures. They were built on smoke and mirrors. You can have bad process and good policy. Unfortunately, it's the view of the board that we have had both a bad process and it has resulted in a bad policy. That statement comes from the experience of the board members.

Dr VOLKER - From the other point of view of policy, as a long-term resident of Tasmania really there's a dearth of comprehensive land management policy in this state. The whole process was done in a policy vacuum. We have no aspirations in Tasmania as to the size and extent of our conservation reserves, how we're going to manage them; the same with our production forests. Even with private land policy we have 29 different councils with 29 different land management policies. Really, we're operating in a policy vacuum. We had a national forest policy which was developed in 1992 and the institute has been at the commonwealth government for probably the last 7 or 8 years to update the national forest policy, which would provide a framework for states to have their own policies.

I note Victoria has done a lot of work on their policies in the last probably three governments, so at least they have a policy but there are not many other states for which you could say they have a comprehensive state forest policy, given that the states are responsible for forest management. I, and the institute, find it quite incredible that that would be the case.

Mr VALENTINE - Councils don't provide -

Mr MULDER - Land management.

Dr VOLKER - No, they don't, but land management in terms of development and so on.

Mr MULDER - Only if you want to build a house in the forest.

Mr FLANAGAN - There is a policy on agricultural land but there's no policy on forest land.

Mr MULDER - You made the statement that councils have 29 land management policy regimes but that's not quite right in the forestry context. I think that's what is being challenged.

Dr VOLKER - It has been one of the criticisms of forestry in Tasmania that forest development is ultimately on a statewide basis but it's still in the absence of a policy.

Mr VALENTINE - It's not holistic.

Dr VOLKER - There's no holistic policy. You can do forestry in Tasmania and you go through the state rather than going through individual councils, but there's no guiding policy.

Mr MULDER - I was seeking to correct the record because if we hadn't challenged you then you would have us believe there were somehow 29 land management policies rather than none.

Dr VOLKER - Yes, okay.

Dr GOODWIN - You state on page 3 of your submission that implementation of the agreement is estimated to result in around 88 per cent of Tasmanian public native forest being unavailable for wood production. Can you flesh out how you arrived at that figure?

Mr FLANAGAN - Using the state of the forest figures, approximately 1.68 million hectares of forests would become nature conservation reserves of some sort. That would leave about 469 000 hectares of potential productive forest. Once we take into account - and this is an educated estimate, not having access to the exact figures - the Forest Practice Code requirements, the certification requirements and topographical and other restrictions that prevent effective harvesting we come up with a figure of approximately 270 000 hectares, which equates to approximately 12 per cent of the public resource. That is how we developed that figure.

Dr GOODWIN - The issue that's cropped up in our discussions is the 10 per cent headroom figure attached to the areas available for harvesting if this agreement is implemented. Are you able to make a comment about the 10 per cent headroom and whether that's adequate, or is going to result in some concerns potentially?

Dr VOLKER - Neither of us are forest planners. That is just an illustration of the complexity of this. I am a professional forester of 30 years standing but I am not a forest

planner. That term 'headroom', I find it very hard to get my own head around it. As I understand it, it is like a buffer for the unknown. The experience in Tasmania is that if you have a planned coupe of 100 hectares, we know for a fact that approximately 35 hectares of that 100 hectares will probably not be able to be harvested for various regulatory reasons. I think the headroom caters for that sort of calculation. I don't know whether the assumption is on the remaining productive forest that headroom is less than the average of 35 per cent. I am not sure.

Mr FLANAGAN - It's also a very difficult one. You can appreciate often some of the more productive sites are also those sites which tend to have a higher value for other purposes, either for stream size or potential nesting habitat or other things. That figure may be correct in terms of area, but may have a greater impact in terms of volume. As Peter said, we are not planners and that requires a detailed coupe-by-coupe assessment and neither of us are in a position to give advice on that.

Dr VOLKER - I think that demonstrates the complexity of this and something the institute is concerned about. We have people who have no expertise making decisions about very complex areas. Forest planners have eight years of university training before they are let loose on the world and we have people who have no training who think they can develop a forest plan on the back of an envelope. As a professional body, we find it incredible that it's even countenanced.

Mr GAFFNEY - When you say they have no expertise, who are you referring to, of the signatories?

Dr VOLKER - There was nobody amongst the signatories who had expertise in forest planning. They had to rely on Forestry Tasmania to provide information to them.

Mr GAFFNEY - So you don't believe there's anyone in Forestry Tasmania that has that expertise either?

Dr VOLKER - Forestry Tasmania has people within the organisation who have expertise.

Mr GAFFNEY - So over the last three years when these people have been making these decisions and going back to the experts who have that information, surely that is a credible way of getting to an agreement? You just can't say because those 10 people around the table didn't have expertise, that they couldn't call on others. A lot of the evidence and documents we have received show in detail where they have derived a lot of their information. I am concerned with some of those comments because it means there are 10 people sitting around the table making decisions -

Dr VOLKER - I put it to you, if you went to your heart surgeon and asked for an opinion on heart surgery, would you rely on him or would you go to the nurse and get her to ask him what the opinion was and then rely on her reading the situation?

Mr GAFFNEY - I don't know, but with a very astute ex-nurse around the table I'm not going to answer that.

Mr FLANAGAN - Also, it depends on what questions were asked of Forestry Tasmania. Forestry Tasmania was asked on a number of occasions, as I understand it, specific

questions and gave answers based on those questions. Without knowing specifically the detail of what those questions were, I note that the independent verification group - and I use that title a little bit loosely - in their report had a 10, 20 and 30 per cent headroom analysis. The question comes back - was Forestry Tasmania - and I do not know - specifically asked to only look at 10 per cent? Were they given additional information, and the agreement based only on 10 per cent? I cannot give you that answer. But I suggest that it very much depends on what questions were asked of the professionals who were consulted, and then what answers were given relevance in the assessment in order to reach an agreement. I cannot give you that answer.

Mr MULDER - Your nice little analogy about the nurse and the heart surgeon - I am game. The patient, in this case, is the signatories and they did not go to the nurse, they went to the heart surgeon. The heart surgeon has sat around this table and told us, and has had no concerns about issues like the capability of these forests to continue on. They think that they can produce these things in a sustainable way. I am not quite sure where your concerns are. Is it because you think we are asking the signatories, but we are in fact getting the same advice from the heart surgeons?

Dr VOLKER - If that is the case, then I cannot argue with that. The institute's position is that we are very concerned about some of these outcomes.

Mr MULDER - Some on the committee also share your concerns about the process, the democracy and all those things. But we have what have and that is what we are assessing.

Dr VOLKER - At the end of the day, we are concerned about the future management. The past is the past, the process is the process and we can only look forward.

Mr MULDER - We will come to the future when I get a substantive point.

Dr VOLKER - Okay.

Mr DEAN - On this point, we received evidence that the provision of the required amount of timber - the 137 000 cubic metres - would be tight and in actual fact we were given evidence that it would be super tight. We were told it would entail Forestry Tasmania having to log areas by cable logging and clear felling to try to get the amount of timber that is necessary. Have you looked at that? You are making statements that you have, and I suspect you have, because that supports, in a way, what you are saying.

Dr VOLKER - In a way, from a forester's point of view, going back to the process - which I do not really want to - if we have a reduced market and reduced harvesting activity, what is the big rush to increase the reserve area because, just by logic, the amount of forestry activity is going to decrease just through market forces? The trees do not care whether they are in a conservation reserve or a production forest; they are still going to be standing there and growing undisturbed. To me, this whole big rush to put boundaries around things is not really warranted.

In the absence of any policy, let us take this opportunity to think about how we want to manage what is outside the reserve system at the moment and take our time, rather than rushing into a process that has just been about people sitting around a table and drawing

lines on maps. A lot of those lines have good, valid reasons for being there but a lot of them are about favourite places, and that is fine too. I have lots of forests that I would love to see reserved from logging. But let's make that open and honest and clear, rather than have this process of just grabbing what we can now and ignoring the rest. From a forest management point of view, it does not seem logical.

Mr FLANAGAN - If there is a market-based problem, it is not going to get solved by a land tenure change. A number of years ago, the dairy industry was under severe pressure. There were dairies shutting down left, right and centre. Nobody came along and said we should take the agricultural land off dairy, and today there is a change. If we go down to the figure of 137 000-odd, and if it is achievable there is no growth capacity within that figure.

Mr DEAN - That was going to be my next question, but you've raised it.

Mr FLANAGAN - It may be achievable, but efficiencies and competitiveness must be based on being able to grow to meet a growing market, and that's been removed under this process. We don't represent the processing industry; we're forest managers and our organisation is based on forest management, but again it does seem a strange response to a market-based issue, which is what some say, and the response is to have a land tenure change that will somehow resolve that market-based issue. It doesn't necessarily make sense to us as professional forest managers.

Mr WILKINSON - As you know, the sandwich is not a good one. Do you believe that you can deal with the 137 000 cubic metres of sawlog as far as production is concerned over the next couple of years whilst a proper process is entered into in order to sort out what should or should not be in reserves? I know that might appeal to the groups involved, but what you are saying to me it seems is because of the situation we're in now the market is not really there, therefore you are saying there is real hurry. It would seem that FT are saying that it's going to be tight, but you believe even though it's tight, 137 000 cubic metres of sawlogs can be sufficient for a period of time anyway. Therefore if there was an amendment to say let's deal with 137 000 cubic metres of sawlog out of how much forest and let's then enter into a proper process to deal with the agreement - and it would seem most people in the street think it is - an environmental agreement to protect what is high conservation property.

Dr VOLKER - I had better declare that I'm a Forestry Tasmania employee, but what I'm about to say is not Forestry Tasmania policy. I would agree with that point of view. Up until now Forestry Tasmania legislated to supply 300 000 cubic metres and the forests are obviously out there for them to be able to do it. We now have an interim set of boundaries that Forestry Tasmania are now moving forward, saying that they can provide 137 000 cubic metres out of what's being proposed, so those two things are in place and obviously Forestry Tasmania have said they can work to those, so to me, the urgency for formalising the boundaries has gone.

One of the criticisms that you've had from a number of people is the assessment of where those boundaries should be or how they're put in place. It has really been a concern, not only to foresters but to conservation scientists and so on. From day one that was the biggest criticism. This whole thing was shrouded in this definition of high conservation

value forests and, in a way, that term has been really devalued by this process. We would really like to see that term brought back to where it should be.

Mr WILKINSON - Is there a definition, though? We've tried to get definitions. There's one out there that I think Tas Conservation Trust might -

Dr VOLKER - There's an internationally recognised definition that was drafted by WWF and it's the foundation of both certification systems. The PDFC and the FSC system use that definition in a practical sense. Foresters around the world know how to do it. I have a colleague who works in the developing world on RED - reduced emissions from deforestation and degradation. She works all around the world on this and she said to me, 'If only I could come to Tasmania and do an assessment'. She said it has to be done on a forest-by-forest basis and there is well established protocol for doing it, how it's done, how it's assessed and how it's recorded. It is not only done upfront, you have to keep doing it.

You have to report on the management of that forest, preserving the conservation value for which it was reserved. It's not a do at once and walk away, it's an ongoing management process. The institute really feels that at the moment we're drawing boundaries but we're not considering what the ramifications are in ongoing management of those areas or if those conservation values are being protected.

Mr WILKINSON - Can you tell me any other place in the world that has gone about a process such as this and has been successful? We look at Canada but they have issues at the moment, as you described.

Mr FLANAGAN - Internationally, from the UN down, within organisations such as the World Bank and right through, there is a recognition now - and this has been for a number of years - that active native forest management that incorporates wood production as well as other values is the most effective way of conserving and strengthening biodiversity values within the forest estate as a whole. You are having a change in approach; there aren't, that I am aware of - unless it is a third world country - places that have such a high level of formal reserves as Tasmania does. That is because there is also a recognition that it is not the most effective way of getting the best environmental, social and economic outcomes.

The best way is having a balanced approach that recognises, protects and enhances those core values for conservation and biodiversity but also recognising the other elements and benefits of having access to forests and forest products, so you are tending not to go down the path. RED, as an example, is a UN initiative that is designed to reduce deforestation and degradation through enhancing the values of the existing forests, mainly in Asia and Africa, but it's not about excluding people from those. It is recognising they need to maintain access, whether its for food, social events or timber. It's not an exclusive process and that is why you don't tend to have nowadays emerging economies going down the path of developing large reserve estates.

Mr WILKINSON - We are told by many that we can't look at today, we have to look at the future for our children and grandchildren; we have to leave them with a better environment and world to live in. Do you believe the process that has been entered into here is consistent with that or do you believe there is a better way?

Dr VOLKER - As I said before, the trees don't care about tenure boundaries and they will keep growing. One of the advantages of having these reserves is that future generations may say those resources in those reserves are far too valuable to be left in a reserve and need to be utilised. From that point of view, we are not damaging future generations, as long as those reserves are managed. We can destroy them, we can have invasive plants and animals. I view fire as part of the natural process so I never consider fire as a destroying factor; it's a rejuvenating factor from a forest point of view. From that point of view we are not harming future generation' abilities. At the moment we're talking about the current and immediate next generation.

One of the concerns from the institute's point of view - and we've already seen it happen - our profession is a dying profession and the knowledge is being lost. The irony of all this from our profession's point of view is that Australian foresters are in demand around the planet for their expertise on forest management and conservation, yet in Australia we can't seem to get that message through. We are condemning Australia to a future where forest management will probably be done by foreigners because in 20 or 30 years' time we will have lost our internal capacity to do that sort of work, so from a fifth-generation point of view that is quite concerning.

Mr FLANAGAN - We are losing not only our current knowledge but our future knowledge because the CRC is no longer in Tasmania, it shut down. The Forest Practices Authority has lost a lot of expertise in that area. The University of Tasmania has lost capacity because it can't get the funding and support from the industry. The direct support the industry used to provide and the access to land and the professional foresters it employed to do research is being lost, so we're losing also our future capacity to understand better those systems that we are trying to preserve for a future generation.

Ms FORREST - Has the CRC actually shut down in forestry? It did take a bit of a kick in its funding but it's still operational, isn't it?

Mr FLANAGAN - No, all it is doing is tidying up at the moment. It is shut. There is no ongoing funding for it. It finished at the end of the financial year.

Dr VOLKER - There is a new resident.

Ms FORREST - There's a new entity replacing it, effectively, maybe that's the difference.

Dr VOLKER - Yes, but only with guaranteed funding for one or two years.

Ms FORREST - That's the best you can get these days.

Dr VOLKER - It is really just skeleton funding to keep the CEO and a couple of other people.

Mr FLANAGAN - And just to tidy up some of the research that has not quite finished, as we understand it.

Ms FORREST - I suppose it is a moving feast because it always is with research. There are always threats to research. We had a big threat to medical research just recently too.

Just to go back to the other point, I think it has been agreed by all parties pretty much that it is a negotiated position, the agreement that was reached. They did seek expert opinion where they might not have had those skills themselves. I don't think there was a lack of expert opinion being provided because there was so much of it. That is why it took so long, because everything had to go back to FT to be verified and checked again and again, so I think it is a bit unfair to say that there was not that expert input sought.

Eventually they got to an agreed position, a compromise on both sides, so we were told. We were also told unequivocally by all sectors, all signatories and Forestry Tasmania and other key stakeholders, that the industry has been in decline since 2007 in particular and there is some concern if we do not support this agreement and put the handbrake on effectively to give it time for a future to be determined, I guess.

Peter, you said that the urgency to formalise the [inaudible] has gone, but we have been hearing from the signatories particularly that that urgency is still there because if we don't have this agreement supported the environmentalist activity in marketplaces will further damage any markets we may have. There is definitely a market problem that could partially be arrested, if not solved. It can be arrested by a change of land tenure in some areas perhaps to actually to try to stop the decline in the markets at least. There is a link, as I see it.

It is a negotiated position and not all about conservation, but if we do not do this we have been told very clearly that the industry will just continue to decline, with a lot more blood on the floor and casualties from the people who cannot be supported into other areas through the funding that is available and that sort of thing.

You made a comment in your submission here that you believe we need a comprehensive assessment of the economic, social and environmental impacts and consequences of implementing it. That has been done by the commonwealth and we will get more information about that later, but also don't we need an assessment about the impact of not implementing it based on the evidence we have been given? What do you say to that because there is a point here where we can say this is a point in time, we could then look at other futures, because you should always be looking to the future anyway. How do we find a way forward?

Dr VOLKER - When I look at the agreement I wonder, 'What did the ENGOs give up?'

Ms FORREST - If you read the evidence you will see - it is in the evidence.

Dr VOLKER - Yes, but the whole premise of it is support for FSC certification because that will open up the market as a lot of customers are now saying, 'If you don't have FSC, we're not going to buy from you'. There is a whole argument about that and it is going on now in the world environment. FSC is starting to be on the nose with a lot of customers because it's based on what I call standover tactics and customers are starting to see this and say 'no'.

Ms FORREST - FSC certification is one aspect to the agreement.

Dr VOLKER - But it is a key one.

Ms FORREST - But so is the ENGOs actively promoting the forestry industry markets.

Dr VOLKER - Yes, and that is a good thing, but we have already heard that we have other splinter ENGO groups who are going to actively campaign against existing ENGO groups who have said they are going to do it. Again - and this is, to some extent, from an institute point of view - where have governments been in all this? We have very good regulations and yet we have ENGOs going overseas virtually saying that our regulations are worthless and government has stood by and said nothing. Only recently did our Tasmanian government make a response and go on a trade mission to explain things. We have a democracy where we elect governments to implement policy and do things and yet we have ENGOs -

Ms FORREST - I don't prescribe to the idea of a doctor nursing either, but let's look at another situation - it's not directly comparable is the point I am making. Let's look at the energy reform legislation we passed not long ago in this place. The government appointed an expert panel which did a range of actions in consulting a range of people - not everybody; I don't think every power user in Tasmania was consulted and, in fact, I'm sure they were not - and then the expert panel reported back and the government adopted the recommendations in part, not in full in that case, into legislation and government policy. That was a policy determined by a body that was unelected and potentially unaccountable because they could make a recommendation whenever they wanted, and they did, and then the government translated that into policy and thus into legislation which we then passed.

Here we have a situation where we have a group of interested parties - stakeholders - experts in their own areas but also relying on expert input, as the expert panel did, and others in energy. They came to an agreement. The difference with this agreement as opposed to the energy report was that you can't cherry-pick this agreement - you either accept it or you do not. So the government decided, 'Okay, we can live with that'; rightly or wrongly, they decided that. That policy is translated into legislation that comes to the parliament where the elected representatives - us - are now charged with making that decision, so how is that different or wrong?

Dr VOLKER - Was the energy policy scrutinised by the relevant people in the public service before it came to government as legislation or did it go straight -

Ms FORREST - I wasn't privy to all the machinations around that. You can look at all the information in their report - it is quite a big report and they talked to Hydro Tasmania, Transend, Aurora and all those others that would provide input.

Dr VOLKER - It is really interesting because when we had the RFA process back in 1997 that was recognised as one of the best processes Australia had ever undertaken in land management.

Ms FORREST - I'm not disputing that. I'm saying that this is a negotiated position that is based not on conservation.

Dr VOLKER - So was the RFA.

Ms FORREST - That was based on science, though.

Dr VOLKER - It was based on science and a negotiated outcome.

Mr VALENTINE - But it was lambasted by the contractors.

Dr VOLKER - Yes, at the time.

Mr VALENTINE - So during this process we do that?

Dr VOLKER - What's that?

Mr VALENTINE - That the RFA purported to deliver but it didn't for them.

Dr VOLKER - On what basis?

Mr VALENTINE - I don't know, you'd have to read the *Hansard* on that.

Mr FLANAGAN - I will make some points, if I can. The review of public assets is a right, as is the right of your members to review that legislation and make improvements or recommendations as you see fit. That can be done by external sources that are appointed by the government, not dissimilar to the current process. The major difference is that you have a group that have been holding to ransom, in many regards, part of that negotiating group. They have come to the table under duress. They have come under threat. Those threats have been maintained throughout the process and as you yourself indicated, those threats are poised to be realised potentially if this isn't progressed through legislation and confirmed through legislation. That is a completely different scenario to other assessments that have gone on. I am unaware where governments have allowed processes to continue under such circumstances and policies developed.

Ms FORREST - But the signatories didn't have to sign, Aidan, and this is the point. We have asked the signatories time and time again, 'Do you support the agreement?' and they still say yes. I asked Terry Edwards the other day, he said he signed the agreement, he didn't have to. He said, 'No, but we chose to. It's the best out of an untenable situation for everybody.'

The ENGOs aren't happy, the industry is not happy but they did get to a point where they could agree and now it 's up to us to decide whether it 's good or not.

Mr FLANAGAN - We respect the time, the effort and the perseverance to get to that situation. As a professional organisation, do we agree with the process, do we agree that this is the best outcome? No, we don't.

Ms FORREST - We accept that.

Mr FLANAGAN - That is a point that we are putting forward. We are putting our views to you as to why we don't think so. Peter has indicated - having this undue haste to get it through parliament, why is there necessarily that need? If there was an agreement to continue to manage these other areas that have been identified in a non-productive

manner, while further community and other engagement is able to be undertaken or further assessment of those values, is that a bad outcome?

Ms FORREST - Do you understand how the legislation is designed to work, because that will happen in that if this legislation proceeds, if it is supported, then there is a two-step process: a protection order which reserves the land, and that has to go through the nature conservation filter where it is then reserved according the purposes and values where there is community engagement at that point about the appropriate boundary, the purpose and value. If it changes it comes back to the parliament. It is a two-step process.

Dr VOLKER - Is there a mechanism then, if the ENGOs or the industry don't agree with those changes, are they going to accept that or are we going to be back into another round of argy-bargy about boundaries? Which has happened every time we have had an agreement in Tasmania; we've had the Helsham inquiry, RFAs - every time we have agreed on boundaries. After Helsham we were told, that's it, there will never be another protest about boundaries for conservation reserves in Tasmania - and what has the history been?

CHAIR - I want to take that as a rhetorical question because I don't think we need to continue to go back and forth, challenging your position or you challenging Ruth's position or whatever.

Dr VOLKER - What I am saying is, from an institute's point of view, at the end of the day we are concerned about the forest management outcome. However we get to that is not really that important, it's what the forest management outcome at the end is. If this process is the best way of doing it, fine. But let's make sure that the forest management outcome at the end is the best.

Ms FORREST - On that point, you made the point that the public will possibly see more of the intensification in some areas, which may or may not occur. But when you consider that currently in the act at the moment there is 300 000 cubic metres, the initial intent under the statement of principles was 155 000 cubic metres and that was basically the withdrawal of Gunns' quota. Now it's down to 137 000 cubic metres, which is obviously -

Dr VOLKER - That's of high-quality sawlog.

Ms FORREST - Yes, but then a lot of the other stuff comes from the arisings of the high-quality sawlog harvesting.

Dr VOLKER - This is another issue for us as foresters, if there is no market for those arisings -

Ms FORREST - I will get to that in a minute, I accept that, but because this is having a much lesser area, and in fact the agreement provides for cable logging and also under the funding schedule an additional \$2 million - from memory - to enable FT to access some of the more remote areas, particularly in the transitional period, if it goes that way, then isn't it fair to say that the public are less likely to see it? It might be more intensive perhaps when they see it and with a 10 per cent headroom you would expect more of the

area to be harvested, but it's going to be more remote potentially and that's part of the challenge here. As far as the timing goes, part of that relates to the funding.

Dr VOLKER - I guess in the short term that's true, but what I've seen of the boundaries, the conservation boundaries are moving further eastward if you look at it from a fairly simplistic point of view, so it's moving closer and closer to where people live.

Ms FORREST - It is a lesser area, though.

Dr VOLKER - Yes, it's a lesser area than - well, we don't know. We don't know what the impact is going to be on each area. The visual impact is really of concern because that's what people initially react to.

Ms FORREST - People go out of their way to find it sometimes too, you must admit, don't they. I remember having a fellow crying in his beer one night some years ago because he'd driven all these back roads somewhere until he found a coupe that he could cry over. He couldn't tell me where he'd gone, but he drove for about two hours. You can get almost anywhere in two hours from the middle of Tasmania.

You made some comments in your submission and when you spoke in your opening comments that you believe this agreement will devalue private native forest and it will result in a loss of competitiveness within the Tasmanian processing industry. Can you elaborate on how - that was Aidan who said that, I think, sorry, yes.

Mr FLANAGAN - This arises from discussions and some of those have been held within Tasmania and by those millers directly; some of it has been held through other discussions. The private native forest resource is seen as a potential additional resource that can be used by mills to get the volumes that they require to be efficient and competitive. However, if you talk to organisations like Private Forests Tasmania or the TFGA or even the landowners themselves - and a number of them we know personally - that is problematic because you are dealing with potentially 1 600 individuals whose own management regimes are variable. It could be driven by: my daughter is going to university next year, I need to liquidate this year; I'm retiring, I have got to have an operation, we're wanting to have that world trip, or whatever their priority is. It's their decision that is driving when they harvest.

Ms FORREST - Currently, you mean?

Mr FLANAGAN - Yes, currently, for a start. To manage that in terms of resource certainty for quality and quantity is very difficult. Talking about quantity and quality is also problematic. A lot of the private forests were exploited, and a lot of that selectively with the best timber taken out early on and they're not in a position where those forests have recovered. Some of them may never recover to the same level, others require more active management to improve the productivity of those forests, so there is a large amount of uncertainty within that area.

Ms FORREST - That's currently the case.

Mr FLANAGAN - Yes, but what we're talking about is a future resource where there are a lot of unknowns, a lot of work and a lot of money would need to go into improving it.

The question is: will the businesses that we have today, and potentially new people who come in as well, have that time that's required for that additional timber to improve in quality to get that certainty of quantity, to get to be able to program those values. There are a lot of farmers today, as we understand it, who, because the market is depressed, are liquidating their forests; they're getting the sawlogs that they can sell into the market now and their plan is to basically leave the forest to degrade further or they're not prepared to put extra funds -

Ms FORREST - Doesn't the Forest Practices Code prevent some of that destruction of the forests on private land because they have to operate under the same principles?

Mr FLANAGAN - The code is very strong while the code and forest practices plan is in place. However, once the plan expires and the operation is finished, there is no legislation that says you need to continue to maintain it to a certain level.

Ms FORREST - Isn't this a problem regardless of what happens with this agreement?

Mr FLANAGAN - But where you have an ongoing value, where you can see an ongoing value for a resource, you will expend capital to maintain the value of that resource.

Ms FORREST - Won't this agreement, if supported, increase this because, as Ta Ann have said, they'll go to private growers for their resource? That's part of the residue management which is another issue that you might have an opinion on. Aren't you arguing the other side of the same coin here?

Mr FLANAGAN - I apologise if I am not being clear. What I'm saying is that we don't have that knowledge to base those assumptions on. There is an assumption that there is a quantity in that 800 000 plus hectares that is managed by private growers out there but there is not the knowledge of how good a quality it is, what the actual quantity is, how commercially available it is, what the intent of the owner is, whether they intend to sell it, whether they wish to just use it on farm, whether they'll only sell it selectively for sawlog.

We don't know that information but, under this agreement, there is an assumption that it's there and we can just switch the bell and instead of timber coming from state forest it will suddenly come from private forest. We don't know that and, in the interim, we're being asked for the processing sector. I'm not a land manager and I am not a processor so this only comes from discussions that we've had with them - they're being asked to reduce their volumes but also remain competitive in an international environment with no real certainty of where their additional resource will come from.

Ms FORREST - Who has been asked to reduce their volumes?

Mr FLANAGAN - A lot of the sector as a whole, the industry as a whole has been asked to reduce their volumes. That means that some businesses will cease to trade, some will amalgamate and potentially get more volume that way, and some will reduce. I am aware that some businesses are looking to import additional timber to supplement their needs for their customers at the end.

Ms FORREST - Doesn't this increase the value to private growers out there? Unless we start telling private growers what they can and can't do with their resource, surely it must mean that if there's less resource available from the public estate, there must be potentially greater value. If I was a private grower and I saw the state was reducing the amount made available through there and I knew there was a market; it comes back to the market to decide. If the market says, 'We want your product', then I'd look after my trees to get the best value for them.

Dr VOLKER- I agree. There's the nub of the problem. The value of the forest to the owner; whether it's the state or the private grower. It's all a value proposition.

Ms FORREST - The market call for it.

Dr VOLKER -It's market driven. I guess, historically, in Australia in particular, the publicly-owned forests have set the price. For various reasons, the price has historically been low for the grower. Like any farmer, the grower is at the bottom of the value chain and, unfortunately, in Australian history, the value of forest products has been grossly undervalued.

Ms FORREST - I'm glad you agree with me on that. There are others who don't.

Dr VOLKER - Yes, I do.

Dr VOLKER - I guess that's the value proposition that this whole agreement could stand or fall on. I think if the value to private growers goes up to an extent where they start saying that there's value in putting money into management because they have certainty that they are going to realise that value at some stage in the future, then that's a fantastic outcome. If that happens, the state will be in exactly the same position, so everybody wins.

Ms FORREST - Exactly.

Dr VOLKER - Everybody wins.

Mr FLANAGAN - But we don't know that information at this stage.

Ms FORREST - If this agreement achieved its aim of stopping the adverse activity in the market as much as we can - you can't control the fringe elements but you can hope to neutralise them to an extent - the Tasmanian timber product then increases in value because it's free of so much negativity; then surely that would flow through. This is one of the aspirational goals of the agreement.

Dr VOLKER - The other key to the value proposition is that you can produce those high-value products but the cream on the cake, as any land manager will tell you, is what is done with the residues. This is one of the keys we've had this terrible fight about. We have slogans such as 'forest furnaces' and 'toilet paper from Japan' and so on, but they are so important to the value proposition. We can't keep going back to this silly fight about how residues are processed. If they go into bioenergy production, woodchips or mulch on people's gardens, it doesn't really matter. There needs to be a market for those residues.

Ms FORREST - Part of the funding is around that; that's why this is an imperative in the time frame, to get that funding flowing to support them.

Dr VOLKER - Exactly. The historical argument we've had about forestry in Tasmania has been legislated sawlog supply but the market has really been about woodchips. We have had this silly argument and no-one has ever thought about the forest management consequences.

Mr FLANAGAN - To be effective that also requires changes in government - and I acknowledge mostly federal government policy - to support those initiatives. The sovereign risk is still very high out there for those sorts of investments.

Mrs TAYLOR - Members of your institute are dealing with both public and private forests. My question relates to the FSC; one of the concerns that has been expressed by some private foresters has been that the FSC in this agreement will be promoted for the public forests. There has been this view expressed by the private foresters that that may inevitably mean they will have to get FSC certification and that could well be of a cost that is prohibitive to them to be viable. Do you have a view on that?

Mr FLANAGAN - They are right. If the mills and the market demand a certain standard, they will be obliged to meet that standard.

Mrs TAYLOR - If they wanted to sell into that market?

Mr FLANAGAN - That's correct.

Mrs TAYLOR - Aren't there other markets they could use?

Mr FLANAGAN - Domestically, if you're selling green timber to your community and farmers in the area, they are probably not interested in that. Can you make a lot of money from that? Maybe you can; maybe you can't. I don't know. If you are wanting to go into a higher-end product, and a lot of that is on mainland Australia, maybe you will need some sort of proof. I think what the council has been told is a bit of a misrepresentation, that legality is becoming more important than certification internationally in trade. We have the Australian Government Prohibition on Illegal Timbers Act, the Lacey Act in America, and FLEGT in the EU. In particular, the EU is spending hundreds of millions of dollars in our region promoting FLEGT and getting the processes that prove legality. That is the basis of market access.

Mr VALENTINE - Is this chain of custody, you mean?

Mr FLANAGAN - Chain of custody is part of that, but it is being able to prove and demonstrate that you have abided by the laws of the country and the timber has been supplied according to those laws.

Mrs TAYLOR - By the Forest Practices Code?

Mr FLANAGAN - Yes. Certification - for example, in China. I think you were told that China is embracing FSC. In fact, China is developing its own standard, which is based to align with PEFC.

CHAIR - We were told PEFC.

Mr FLANAGAN - I apologise.

I've worked in Cambodia and Laos and in those areas FSC has been turned away because it's too expensive, they can't afford it. If they're going to try to make a profit they can't spend it on the prohibitive fees that are charged. In Tasmania I understand that just to get certified it is likely to cost \$10 000 plus, so you need to have a fair volume of timber to cover and mitigate those costs as well. That places at risk the value as well, but it's another cost that needs to be put into that equation. I suggest that FSC is being promoted by self-interest because FSC is an ENGO-run organisation and the fees go back into the members who are ENGO organisations and that is not reflecting the current trends internationally which, as I said, is more about legality than certification.

Certification is a driver of better forest management and should be commended, and is a great outcome, but it's not now a market driver in a lot of areas, including the EU.

Dr VOLKER - It certainly is a concern. The increased cost for private landholders is prohibitive. America has been down this path now for a number of years and, as Aidan says, you are talking figures \$10 000 and upwards to get certification. Of course then you have audits every one or two years, and again you're paying consultants to come in and do audits and they're not cheap. It's a huge financial burden for private landholders. Some of the larger ones can absorb those costs, but the average Joe who owns 30 hectares or 40 hectares - and I better declare an interest here because I'm a private forest landowner - there's no way that those sorts of people are going to spend \$10 000 or even \$5 000 or \$2 000 on a certification.

Ms FORREST - Isn't that why some of the private growers use a company to manage that for them?

Dr VOLKER - I am not sure of the arrangements there. There's talk about group schemes and so on, but one of the uncertainties there is, if you have 100 growers in a group scheme and one of the growers doesn't do the right thing, does that put the whole other 99 in jeopardy of losing their -

Ms FORREST - It depends if you have a manager oversighting it all and it's their responsibility.

Dr VOLKER - That's one of the issues with certification with these group schemes. There is no standard for Australia at the moment, so we're -

Ms FORREST - That's being worked on, though, isn't it?

Dr VOLKER - It's being worked on, yes. We're operating in a little bit of a knowledge vacuum.

Ms FORREST - Doesn't that come back to market forces, though, as well? In the market suddenly decides FSC isn't what it's cracked up to be then the markets will change.

Dr VOLKER - The other issue is it's an added expense, but at the end of the day you either sell or you don't sell. There's no premium for certified wood. If you go into any of the major department stores anywhere around the world there will be FSC-certified wood.

Ms FORREST - A bit like free range and non-free range eggs, isn't it.

Dr VOLKER - But there is no premium price for it, so you've gone through that expense and it may give you access to a market you didn't have, so from that point of view there is a premium, but you won't get paid any more and that's one of the concerns.

Ms FORREST - At least you will sell it.

Dr VOLKER - Yes.

CHAIR - I am going to go to a supplementary, Aidan, on a matter that you just mentioned. You said something to the effect that FSC may be a good driver for better forest management. Is it forest management that is better than PEFC-certified management?

Mr FLANAGAN - No, I meant that in certification. I believe that both of them are comparable in terms of the outcomes that they seek to achieve. They are both very effective drivers of better forest management.

CHAIR - Do I understand that both have significant social acceptability as a component of the assessment?

Mr FLANAGAN - My understanding is yes.

CHAIR - Is one more weighted to social acceptability than the other?

Mr FLANAGAN - I think there are different mechanisms of determining what that social acceptability and consultation is, but I don't believe that in principle they both try to maintain key stakeholder engagement and the ability to be influenced by those stakeholders or community groups or individuals.

Dr VOLKER - I think as time goes along they are coming together more and more in a lot of areas. I think there was a big separation initially. PFC tended to be more focused on governments and getting the regulatory situation and having governments as the key stakeholder. If you met all the regulation requirements and government requirements and so on that was PFC's focus or certainly the Australian forestry standard, whereas FSC came from the community side of things. As time goes on they are coming more and more together. FSC is becoming a little bit more focused on the legal framework that countries have and AFSPEFC is certainly improving its game in terms of stakeholder community group consultation. In my view they are coming together.

Ms FORREST - They are going to morph soon?

Dr VOLKER - It would not really surprise me if in 50 years' time there is only one system because at the end of the day again it is about good forest management. All they are doing is codifying what a lot of foresters already know.

Ms FORREST - And do.

Dr VOLKER - Yes, and do.

CHAIR - Aidan, you did the sums in answer to Vanessa's question about what might be remaining for production forests.

Are either of you aware as to how much of that is post-1960 regrowth? No? Peter, you are nodding.

Let me conclude the question because it is about forest management. If we run with the principle that a 90-year rotation minimum is probably the best in terms of good sustainable outcomes then the reason I focus on 1960 is we are talking about 2050 for that 90-year rotation. Anything less means that we are operating in a sub-optimal arena in terms of the sustainability and getting the best outcomes for sawlog. It is a profile of the trees, I suppose. We really honed it down to something that is not optimal.

Dr VOLKER - It is an interesting point you raise. In Tasmania we started this clear-fell, burn and sow silviculture back in about the mid-1950s, so it is 60 years ago. We are still 30 years away from those initial forests getting to that 90-year age class that you speak of. We are only two-thirds of the way through in those days what was planned as the sustainable management of those forests. I think when they started we were talking 100, 120 years.

If the foresters back in the 1950s came back now they would say you are only halfway through the management plan we set up in the 1950s to sustainably manage Tasmania's sawlog-producing forests. Forestry is about planning on hundreds of year-cycles and we are halfway through a cycle that our predecessors put in place. A lot of things have changed in that 50 or 60 years. Paul, it is a very difficult question to answer.

I guess from a forester's point of view, growing trees to a size takes time. You can assist the process through silviculture. We can go in there and do some things like thinning, we can reduce the rotation age, but at the end of the day if we are going to have a viable hardwood sawlog industry in Tasmania we need to grow big trees. There is no getting around that. You can do it in plantations but you cannot do it to the same standard or quality as we can in our native forests. To grow enough big trees to sustain an industry requires a certain area to do it on; that is just life. If we decide that we do not want to grow big trees and have a hardwood sawmilling industry, well so be it. That will take the pressure off the forest.

Ms FORREST - That is not what we really want though, is it? Because it is a fully sustainable industry, surely?

Dr VOLKER - You would hope so. Aidan did a study as part of his master's degree and it clearly demonstrated that Australian society values hardwood sawn timber and if we cannot get it domestically, we go overseas to buy it.

Currently we are buying it from the Solomon Islands. We are buying the same volume from the Solomon Islands into Australia as Tasmania, historically, has produced and the Solomon Islands are going to run out of timber in less than five years. So how good is that for a conservation outcome?

That concerns us.

Mr VALENTINE - In your opening remarks you mentioned the importation of Asian timber and all the rest of it. Isn't that because of the value of the Australian dollar at the moment rather than people choosing to have Asian product over the Tasmanian product? It is about cost, isn't it?

Mr FLANAGAN - I looked at 16 years of import data, in fact in 1990. So it excludes the recent spike in the Australian dollar and was back when our dollar was down to 50, 65, 70 cents - that sort of thing.

Mr VALENTINE - So it is historic.

Mr FLANAGAN - That is correct. I looked at the various state and federal policies and the RFAs. I picked up just before the RFA and went through the RFA. For example, Queensland and the native forest policy they enacted to withdraw from native forest - it showed that they became one of the largest importers of tropical timber as their own timbers decreased. There appeared to be a direct correlation between the demand for those types of timbers and our ability to supply them and where they came from, alternatively.

Over that period, it was estimated by me, and some colleagues, that around 100 000 hectares of equivalent tropical high conservation timber was imported as a consequence. Overall, the equivalent of over 2.5 million hectares of Asia-Pacific type forest would have been cleared to produce that volume of timber that was supplied over that time.

So it is beyond this current spike.

Mr VALENTINE - Is that because the community here is simply unaware of where that timber is coming from? Why are they buying that? Do you know?

Dr VOLKER - They do not care and they do not know. Around 99 per cent of people would walk into Harvey Norman and buy the bed because they like the look of the bed. They would not care where the timber came from.

Mr VALENTINE - That is what I am saying. Surely it must be price-related.

Mr FLANAGAN - It is the price, but people are also after durability, for example, so they go for a timber that you can put outside or they go for a colour that will match. So it depends, but price is a large driver of it, without a doubt, as well. But there is no differentiation. If you go and ask the person in the hardware shop, he will point to the one that they get in the cheapest and they can make the most margin on.

Dr VOLKER - If you are building a deck the choice is Jarrah from Western Australia, Merbau from Asia somewhere and treated Radiata Pine. The difference in price between the Radiata and the Merbau is negligible. The Jarrah is probably at least 50 per cent more - probably at 100 per cent more now -

Mr VALENTINE - A lot more durable though.

Dr VOLKER - Yes, exactly. But the whole crux of our argument, I suppose, is where are people are going to make their choice? If you said to them, 'The Jarrah comes from sustainably-managed forests that are going to be there for the next 100 years and the Merbau comes from a forest that has now been converted into an oil palm plantation and the orangutans have nowhere to live', are those people still going to choose the Jarrah over the Merbau? That is the test.

Mr VALENTINE - I guess that is where FSC comes in, isn't it, and the community's education.

Dr VOLKER - Yes.

Mr VALENTINE - Which brings me onto the next question, which was about the Forest Stewardship Council, and you talk about the cost of that. I know private forest owners are paying the dollars for that. Is that because the system has to have a certain degree of stakeholder consultation around a particular block, or is it just a licence fee that is being charged?

Dr VOLKER - It is the cost of having the certification - doing all the stakeholder engagement and making a management plan. That is a cost because -

Mr VALENTINE - That is something you have to do as an owner?

Dr VOLKER - Yes, but then you have to be certified. You have to bring in a consultant who is qualified to approve your application. For someone like Forestry Tasmania or Gunns or one of the bigger companies, that could be a two or three week process on the ground and then there would be a week of report writing. There are probably two or three people involved at \$1 000 a day, minimum.

Mr VALENTINE - PEFC does not require that?

Dr VOLKER - It does. Any private landholder is probably at least going to have to have a person for a day. We are talking at least \$1 000 and then probably another day to write the report. You could say it is a substantial sum of money.

Mr VALENTINE - I can understand that. I am trying to find out the difference between gaining a PEFC certification as opposed to FSC, and why the costs would be different?

Dr VOLKER - I do not think there would be much difference in those.

Mr VALENTINE - At the end of the day it is going to be market demand as to whether the PEFC is adhered to, as opposed to FSC?

Dr VOLKER - Yes, but both systems can cater for non-certified wood. As I understand it, you have what is called a controlled wood status. One of the buyers in Tasmania may have a FSC controlled wood status where 30 per cent of their supply has to be FSC and the other 70 per cent they can get as non-FSC certified wood. They still have to demonstrate that it has been harvested according to an approved forest practices plan and all those things. That is the get-out, I suppose. At the end of the day they will probably pay a little bit less for that controlled wood than they will for the FSC stuff.

Mr VALENTINE - I suppose it is fair to say that primarily your institute is involved with commercial activity as opposed to conservation?

Mr FLANAGAN - No. One of our members heads up Parks, Victoria.

Mr VALENTINE - I know your members do, but I am talking about the institute itself. Do you support conservation projects? Can you talk about some of that so we can understand a bit more about what your institute does?

Mr FLANAGAN - Our only funds are what we receive from the members. We do work as an organisation in the region. Peter has done a lot of work with Papua New Guinea and others in trying to build it up. Two years ago we supported people from Lau to come over to Australia for three weeks and learn our systems, to help improve their management systems. We do a lot of collaborative work in the region as well. But we are not an aid organisation or anything like that.

Mr VALENTINE - Commercial agent, but not an aid organisation.

Dr VOLKER - But, we are a member of the Australian committee of the International Union for Conservation of Nature (IUCN). We are members of FSC and AFS. As an institute, we have a broad membership. A lot of our members have started their careers in commercial forestry organisations or state organisations and the ones in state organisations, especially in Victoria, have all ended up now working for the Parks service because when the forests were transferred over to Parks, the people went with them.

Mr FLANAGAN - The strength of our organisation is the diversity that we have and we can bring a broader perspective to particular issues. We actively participate in a whole range of forest-related policy development to try to improve the development of policy.

Dr VOLKER - One of the things that we have to be very careful of, as an institute, is not to alienate members in different sectors. That is why we do not align ourselves with the industry because it would alienate other members who don't align with industry. We have to walk a fine line.

Mr DEAN - Rob has gone along the line of importations of timber into the state and as I understand it - and it was mentioned yesterday, wasn't it - a lot of our timber is currently coming from Victoria. Victorian hardwood is coming into this state and there has been land in Victoria as I understand it.

Mrs TAYLOR - Yes, Vic ash.

Mr DEAN - My question coming from that is: because at one stage we were almost self-sufficient in timber and we were providing what we were using and so on, what percentage are we now importing into this state? Are you aware of that?

Mr FLANAGAN - Trade between the states isn't well-documented. The federal government doesn't keep that sort of information and I'm unaware of any level that we have.

Dr VOLKER - I would have said Tasmania is a net exporter up until recently. I wasn't aware that we were importing timber from Victoria.

Mr DEAN - I got the information from McKay Timber yesterday to confirm that. They are saying that it's being landed cheaper here from Victoria than what we can produce ourselves, which is a real issue and of concern. My question coming from that is: in Tasmania, is it access to the product, to logs, that is creating a lot of that, not just the high dollar and not just the other issues around it? It's our access to timber products and mills now not being able to continue in the industry.

Dr VOLKER - I think one of the issues at the moment in Tasmania is the issue of residues. You can go and harvest the sawlogs, but as Forestry Tasmania is finding and has been the history in the past, and it is a frustration for foresters, people say 'Let's go back to the old days of selective logging'. Well, that was high-grading the forests. It was taking out the best and leaving the rest, and all around the world that happened in the early nineteenth and twentieth centuries and then foresters came along and had to fix the mess up. This might sound bad, but in a way thank God for the woodchip industry because it enabled Tasmania to get its forests back on track.

A lot of those forests were high-graded in the late part of the nineteenth century and the early part of the twentieth century. It gave us the ability to go into those forests and get them back on track. You might not like clearfell, burn and sow, but from a forest management and a timber production point of view, in the wet forests of Tasmania it was the best thing since sliced bread, from a science point of view and a whole lot of things.

That was a breakthrough. In the 1950s when the Tasmanian scientists worked that out, that was a breakthrough in science and forest management. To this day, there are not many scientific papers that dispute the fact that it's still a good way of managing our wet forests. We're now back in the situation where the only market is sawlogs, and what are we going to do with all the residues we generate?

Mr DEAN - On that point, Mr Chair, can I just raise one other issue with Ta Ann which came up and where there has been -

CHAIR - Just before we go to Ta Ann, Ruth had a supplementary question on that previous point.

Ms FORREST - When the Australian Forest Growers presented to us last week, they made a comment, when this issue was raised about what has been lost from Tasmania as far as exports and the markets, whether nationally or internationally, that what was coming out of Western Australia and Victoria was the maturity of the MIS plantations and forests in that regard, and that's been one of the factors that has resulted in greater output from

those states. It's not just because Tasmania hasn't been providing it; it's because of the maturity of those [plantations] - is that your understanding as well?

Dr VOLKER - What's coming out of Victoria, Western Australia and South Australia is the plantation woodchips, which basically replaced any possibility of selling native forest woodchips pretty much.

Ms FORREST - Partly because of the maturity of those managed investment schemes.

Dr VOLKER - Yes. They had to run those plantations on 10-year rotations and some of them are now a little bit older. As they get older the actual pulpwood quality is better so they become more attractive. We always knew this was going to happen. There is a massive volume. Over the next -

Ms FORREST - As a result of the MI schemes?

Dr VOLKER - As a result. Over the next 10 years there is going to be a massive spike in production of plantation woodchips out of Australia.

Ms FORREST - Then a great dearth.

Dr VOLKER - Then it's going to drop away.

Ms FORREST - Because the MI schemes are all stuffed.

Dr VOLKER - Yes. That's what's hurt the residue market from Tasmania.

Ms FORREST - Absolutely.

Dr VOLKER - Tasmania was producing 2 or 3 million tonnes per annum as a state in the woodchip market and now we're producing next to nothing.

Ms FORREST - Thank the MI schemes for that.

Mr DEAN - On the Ta Ann issue, if you can provide an answer, Ta Ann has indicated - and I think it's been suggested through TFGA's input as well - that they will access any extra logs they require from the private forest industries. A private forester has raised with me, and I think it was also raised here in this forum, that that's probably easier said than done because not too many private foresters are going to allow someone to go in and take that small billet tree that Ta Ann requires. Therefore, there may not be the availability or the private foresters willing to allow that to occur. Do you have any comment on that? Have you heard that?

Mr FLANAGAN - Yes. The price they may be willing to pay, if the volume is there, whether it's economical to do that. It's not dissimilar to having an 800 kg cow and taking it to the abattoir; you don't just rock up and say, 'I only want a bit of rump steak,' and they carve it off and leave [the rest]. You've got to look after the whole and the other 750-odd kilograms have to have a home in order to be economical and you don't want rotting carcasses all around your farm; you want to get rid of it as is and start the next one. It's not dissimilar to growing trees in that regard.

There are a lot of uncertainties under which this bill and the agreement is based and I'm sure you've heard more. Part of the question is: how successful will it be if implemented and if adopted, given that we don't know what the answers are to those uncertainties? Part of the institute's concerns is that there are these questions that have yet to be answered and it has almost been a 'Trust us, we'll sort it out' approach, which isn't a good policy outcome.

Mr DEAN - That's right. Forestry, in their handling and management of their forests, have been able to get rid of all those timbers in their logging of the coupe - the good logs, the different categories and so on.

Dr VOLKER - I've done a lot of work in China, Chile and other places and you see from there that human nature shows that 'if I can get a dollar today, I'll take the dollar rather than get a promise of \$10 at the end of next year; I'd rather have the dollar now', even though someone says 'I'll give you \$20 at the end of next year'. If you look at the bank interest rates and think that's a pretty good deal, you'd still rather take the dollar on the day.

In a forestry context, if you go to China, they cut their trees down on five-year rotations because the farmers there think they'll get a few bucks every five years. When you're living with the holes out of your trousers, that's much better than saying 'I'll give you a lot more money if you keep the trees in the ground for 20 years', because that's out of their time horizon. They'll need a meal tomorrow, not in 20 years' time, even though in 20 years' time they can go to the Shanghai Hilton to buy a meal. They'd rather have a meal tomorrow, thanks very much. It would be the same here. If Ta Ann can offer a good price today, then the farmer would be silly not to sell to them, on the promise that maybe they'll sell a sawlog for 10 times the price in 30 or 40 years' time. That's what will drive forest management.

At the end of the day, it will be economics that drives forest management. So, we may get into a cycle of short-rotation forestry on private land. That could be a consequence of this agreement but we simply don't know.

CHAIR - Thank you. I have no further indications of questions so -

Mr MULDER - I thought I was on the list. I know I was at the end of the list but I've now dropped off it.

Laughter.

CHAIR - I didn't have any indication from you. Let's go.

Mr MULDER - In relation to the FSC certification, it's an important part of this deal. We have heard a lot of arguments about whether in five years time it is going to be worth the paper it's not written on; the fact is it is part of this deal. As regards the bulk of the deal, I think you've expressed some view that it won't work, that one side will not keep their side of the bargain.

Dr VOLKER - We are concerned it may not work.

Mr MULDER - If it doesn't work, aren't we then in the place you want us to be? In other words, the reserves come back out.

Dr VOLKER - That's where our argument is about having a forest policy. If we had an overarching forest policy in Tasmania, it wouldn't matter what deals have been done. We could look at the policy and ask, 'Does this deal fit in with our policy and where we want the state public assets to head over the next 50, 100 or 200 years?'. It gives us a framework. At the moment we're saying, 'Let's put this process in place and then let's think about the policy afterwards'.

Mr MULDER - Isn't it a fact there is policy about how forests are managed? There is the Forest Practice Authority and all those sorts of things.

Dr VOLKER - They deal with the here and now; they don't deal with the long term.

Mr MULDER - In terms of having a policy, in fact this is a policy. The policy you're asking for, had it existed in writing - which it doesn't, but does in various other forms - this would be effectively amending that policy.

Dr VOLKER - It is, yes.

Mr MULDER - Or it's creating its own policy.

Dr VOLKER - The only policy we have, to be fair, is Forestry Tasmania's sustainable forest management plan. That was a state-endorsed policy, so I should be fair to the state and the government because that is an endorsed forest policy. This now varies from that sustainable forest management plan and we are now going to have to have a revised plan to fit in with the outcome of this.

Mr MULDER - It may vary from that policy or that framework but the fact this has now come along is amending that forest plan.

Dr VOLKER - Yes.

Mr MULDER - So it's not that it's contrary to it; it is now amending that forest plan. I was detecting you are almost suggesting the forest plan is a bit like the constitution - written in granite - but policy moves and this is an example of moving policy.

Mr FLANAGAN - If we had a policy and there is a decision to change that policy, we would have a reference point from which to measure those changes. At the moment we don't have that clear reference point.

The IFA is not saying we shouldn't have reserves; we are not saying we should have less reserves. We are saying we have concerns with the process that has determined the quantum of reserves that are being proposed. We are unsure, and we believe there are unanswered questions, as to whether this is a good outcome for the management of those forests within those proposed reserves and the basis of determining that. We are not against that.

Mr MULDER - You have concerns or you believe them to be bad outcomes?

Mr FLANAGAN - We believe the process is a bad process [inaudible]. We believe the policy in failing to look in more detail at some of those issues and questions is not an effective policy as reflected in the bill. Therefore we believe it is better to defer approving these measures until we have more certainty in the impacts of that process. We are not against more reserves. In fact there may be areas that should have heightened protection under some sort of tenure change, but there may be other areas as well that aren't justified in going down that path. We have had a full-scale endorsement of an agreement and area without a proper assessment of that.

CHAIR - Thank you, Peter and Aidan, for appearing before the committee.

THE WITNESSES WITHDREW.