

**Legislative Council Select Committee  
Tasmanian Forests Agreement**

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**Contents**

- 1.0 Introduction
  - 2.0 Basis of High Conservation Values (HCV) Forests
  - 3.0 Sustainable Development Methodologies
  - 4.0 Assessment of the impacts of the proposed Tasmanian Forest Agreement against Sustainable Development Methodologies
  - 5.0 Suggestions / Choices
- References

## 1.0 Introduction

The Tasmanian Forests Agreement<sup>(Ref 7)</sup> and the associated Conservation Agreement is the legislative outcome of a process of working with a well respected independent facilitator and driven by:

- a loose grouping of three well organised Environmental Non-Government Organisations (ENGO's), consisting of a number of member groups, some with loose associations with other activist groups who want to change the status quo in the forests in Tasmania, and
- a loose grouping of organisations which represent different interests within the Forest Industry in Tasmania who want to defend the status quo, based on existing agreements with Government for wood supply. However, there has been a consistent over-cutting over many years that have exceeded a sustainable supply. In addition, the modern, economic and safe forest harvest process results in the generation of far more residual material than prime saw and veneer logs. Ways to turn this material into valuable products underpins forestry economics.

These groups, and many others that are also affected but not fully involved, have not been able to reach resolution of their differences over many years after many attempts under government led initiatives.

The current agreement started with some agreements, 18 principles<sup>(Ref 6, P5-6)</sup>, but in the Agreement<sup>(Ref 7)</sup> few aspects have been addressed in detail with the necessary plans, funding, risks etc necessary to achieve this vision. A major flaw in the current process is the absence of these plans. For example these would be required by any private developer proposing a major change in an industry in Tasmania.

As such it is not significantly different to the previous attempts which have all been based on the setting aside of areas of forests which have some particular environmental attributes based on loosely defined criteria, and limited future management plans and risk analysis; and compensation and restructuring funds for those who are directly affected by the reservation, but without detailed agreed strategies and plans to grow the forestry business in a sustainable manner into the future.

As such while “peace” might be achieved in the short term, it is likely that similar or unintended adverse long term outcomes will result as nothing fundamental has been changed and the starting basis is open to strong doubt. This involves the definition of insanity, i.e. “hoping for significant change while continuing to do the same thing”.

The present changes proposed are large within a Tasmanian context. The changes include the areas of land involved, the loss of areas available for forestry activities is large when compared to the existing areas, shutting down of much of the native forest industry with no clear linking in time to use of plantation timbers, affects on regional communities, risk management of the 60% of Tasmania now covered by forests, overall future changes in

funding, etc. In addition, Tasmania is at a crossroads in many areas and needs to make major changes so to be relevant and competitive within a global context.

My submission is intended to outline an alternative approach that is more suited to influencing Tasmania's long term direction.

## **2.0 Basis of the Assessment of High Conservative Values (HCV)**

The initial approach of the parties has been to talk around 18 principles<sup>(Ref 6)</sup> which has been refined into an Interim Report for Consideration<sup>(Ref 6)</sup>. The negotiations then have been protracted over two years and focussed on narrow issues to define areas of forest that would be affected and allocation of logging based on sustainable yield from the total forest area owned by the Tasmanian Government and the Forestry Commission.

Within this framework the World Wildlife concept of High Conservation Value Forests (HCV) has formed the bedrock on the one hand as a means of defining additional forest reserves to be preserved while on the other hand Federal and State Governments have promised funding judged to be appropriate or affordable to balance resultant community and social changes.

An outline of the WWF approach<sup>(Ref 1)</sup> in parts reproduced follows.

## Extracts from Ref.1



### WWF and HCVF

WWF has been actively supporting the development of the HCVF concept and has broadened its use beyond forest certification, to make it applicable in other contexts such as landscape planning and responsible purchasing and investment. WWF has helped develop a global toolkit on the use of the HCVF concept, as well as national, tailored versions of the toolkit in a wide range of countries. WWF has assisted many governments, companies, communities and other stakeholders to apply the HCVF concept in their forest management, land-use planning and conservation work.

### High Conservation Value Forests

#### Introduction

Each year 13 million hectares of the world's forests are lost to deforestation. This loss is having a devastating effect on biodiversity – FAO estimates that deforestation in the tropics could account for the loss of up to 100 species a day. Local communities also bear the cost of deforestation, as 1.6 billion people worldwide rely on forests for their basic necessities such as food, water, fuel and medicines. The impacts go even further as deforestation accounts for up to 25 percent of the global greenhouse gas emissions that contribute to global warming.

Set against this forest loss is a complex, conflicted world. Many of the most forest-rich countries are also among the world's poorest and their governments face competing priorities of poverty alleviation, conservation and economic development. Forests can support all three priorities but not without trade-offs. Forest conservation is crucial but so also is forest use such as logging, as it brings much-needed jobs and income to millions of poor people throughout the world. Conservation and production need to go hand-in-hand, and there is good evidence that this is happening. Timber companies are becoming increasingly aware of the need for sustainable management and are looking for guidance on how to do this.

The concept of High Conservation Value Forests ( HCVFs ) was developed with this in mind – to provide a framework for identifying forest areas with special attributes that make them particularly valuable for biodiversity and / or local people. The aim of applying this framework is to design and implement appropriate management options for these areas in order to preserve or enhance their key ecological and socio-economic values.

The HCVF concept was first introduced by the Forest Stewardship Council (FSC ) in 1999 when it included HCVFs in one of its requirements for timber companies seeking forest certification. According to Principle 9 of FSC, " Management activities in high conservation value forests shall maintain or enhance the attributes which define such forests. **Decisions regarding high conservation value forests shall always be considered in the context of a precautionary approach.**"

### Four key facts about the HCVF concept

- It is **science-based** – providing a systematic framework for identifying high conservation values, based on the best-available ecological and social information. However, the ultimate decision as to whether the conservation values present are sufficiently concentrated or critical to be termed HCVs will always be a subjective one.
- It is **stakeholder-based** – the HCVF concept is intended to involve a wide range of stakeholders in the identification and assessment processes, in order to benefit from a broad range of expertise and experience and to ensure that a range of interests are represented in making that subjective decision.
- It can be applied to **all forest types** – boreal, temperate or tropical, natural or plantation, intact or fragmented, as HCVF designation relies solely on the presence of high conservation values.
- It can be applied on **different scales** – an HCVF may be a small part of a larger forest, or a whole forest management area. Likewise, HCVF assessments can be done on a small ( site-level ) scale or large (landscape, national level) scale.

### The Precautionary Principle

A key element of the HCVF concept is the application of the Precautionary Principle in forest management. In practice this means that if a value might exist, management must assume that it does, and that if an activity might be damaging to a value, management must assume that it is. Adopting this principle ensures that the high conservation values are maintained or enhanced, particularly when the effects of the activities or the status of the values are not fully known.

### **Logging HCV Fs – a taboo?**

There has been some debate about whether HCVFs should be declared ‘no-go’ zones for logging or whether they can be subject to controlled logging. The concept was originally developed within a sustainable forest management approach (i.e. FSC certification) and was never intended to preclude all forms of logging in all cases. Rather, it is designed as a tool to enable forest managers to develop conservation-based management plans. The key is to base all management decisions on the preservation or enhancement of the high conservation values identified, and to use the Precautionary Principle when in doubt. In some cases this may mean formal protection of the HCVFs, in other cases it may mean deferred logging, and in still other cases sustainable extraction methods may be appropriate. Carefully logged areas can still contribute to conservation by, for example, providing wildlife corridors between protected areas.

### **What are HCVFs?**

High Conservation Value Forests are defined as the forest areas required to maintain or enhance the High Conservation Values ( HCVs ) that have been identified. There are six categories of HCVs ( see below ), covering both ecological and social values. A full HCVF assessment would need to cover all six values. Sometimes it has proved useful to undertake partial assessments focusing, for example, on just the ecological or social values. However, these cases are not considered full HCVF assessments.

**HCV1 - Globally, regionally or nationally significant concentrations of biodiversity values.** For example, the presence of several globally threatened bird species within a Kenyan montane forest.

**HCV2 - Globally, regionally or nationally significant large landscape-level forests.** For example, a large tract of Mesoamerican lowland rainforest with healthy populations of jaguars, tapirs, harpy eagles and caiman as well as most smaller species.

**HCV3 - Forest areas that are in or contain rare, threatened or endangered ecosystems.** For example, patches of a regionally rare type of freshwater swamp forest in an Australian coastal district.

**HCV4 - Forest areas that provide basic services of nature in critical situations ( e.g. watershed protection, erosion control ).** For example, forest on steep slopes with avalanche risk above a town in the European Alps.

**HCV5 - Forest areas fundamental to meeting the basic needs of local communities.** For example, key hunting or foraging areas for communities living at subsistence level in a Cambodian lowland forest mosaic.

**HCV6 - Forest areas critical to local communities’ traditional cultural identity.** For example, sacred burial grounds within a forest management area in Canada

It is important to stress, however, that the HCVF concept has its own limitations. By itself, it cannot guarantee the conservation of these valuable forests. In the end, decisions on HCVF management come down to financial and/or political priorities, and while the assessments and consultations of HCVF work can inform this process, they will not have the final say. The flexibility of the concept, one of its key strengths, is also a potential drawback as it can leave it open to widely different interpretations of the purpose and results of HCVF assessments. For example, WWF has advocated use of the HCVF concept in “frontier” landscapes to guide government and company decisions over which forests are maintained and which are converted to timber or agricultural plantations. Some groups might see this use of the HCVF concept as simply a means to justify conversion of natural forest. Others may take the opposing view and regard this use of the concept as a block on development in forest areas already zoned for plantation development. In WWF’s view, the HCVF concept, properly applied, provides relatively neutral and transparent input to the political processes that determine the land-use mosaic in a given place.

The HCVF concept can assist governments in balancing decisions on forest use and conservation, collecting information as a basis for policy formulation and resource allocation, and implementing international conventions and agreements such as the Convention on Biological Diversity ( CBD ) and the United Nations Forum on Forests ( UNFF ).

## The identification of HCV is outlined by the Wilderness Society

The map shows the ENGO identified forest areas of high conservation value (HCV) that require immediate protection.

They are the outcome of many different and often overlapping processes that have been carried out by governments, community groups, scientists and World Heritage authorities, over many years.

Broadly the following criteria have been applied in determining these areas:

- Large intact natural forest areas;
- Forests with high levels of ecological maturity;
- Forest areas of importance to local, national and international communities;
- Forests and ecosystems with high biodiversity values;
- Reserve design principles including buffering and ecological connectivity; and
- Forests with high ecosystem service importance (eg carbon rich forests, water catchments).

A summary of the specific processes that led to the identification of major HCV areas are shown on the table (right). Consultation with ENGO groups around the state has also contributed to the mapping.

Informal reserves are included as they are considered inadequately protected and their inclusion here reflects the seeking of full, formal, legislated protection.

There are many limitations to the quality of data made publicly available for use in this process and errors will exist, such as areas that have been destroyed or degraded in recent years. In addition it is also likely that areas not identified here that meet the above criteria have been missed and should also be considered when the information becomes available.

Some areas, whose values have been severely impacted by logging, or conversion but are located inside a contiguous area of HCV forest reserve proposal are retained to be rehabilitated as are some areas for establishing connected conservation reserves or delivering world heritage recommendations.

HCV Area	Processes of HCV identification
Proposed extensions to the Tasmanian Wilderness World Heritage Area (TWWHA) (includes Styx and Great Western Tiers, as shown on PFGJ maps)	National Estate listing (Government body: Australian Heritage Commission, 1980s) Helsham Commission of Inquiry 1987-88 and consultants International World Heritage experts, including IUCN, ICOMOS, World Heritage Centre and World Heritage Committee (includes official representatives of Government signatories to international treaty) Panel of Experts (Tas. Forests and Forest Industry Council – conservation groups, industry, scientists in 1990) Tasmanian Department of Parks, Wildlife and Heritage (Government, 1990) Sundry reports on threats to integrity of TWWHA (Australian Government 1993; Australian Government consultants, 1994 and 1995) Great Western Tiers National Parks proposals (community groups, 1990 and 1995) Sundry reports as part of Regional Forest Agreement process (inc. Governments' Panel on World Heritage values, 1997) Tasmania Together process (Tasmanian Government) 2000 Promises by Australian Government, October 2004 Hitchock report 2008
This is one of the world's great temperate wilderness areas and includes sections of the Great Western Tiers, Upper Derwent, Navarre, Counsel, Florentine, Wedge, Tyenna, Styx, Weld, Snowy range, middle Huon, parts of Piakon, Esperance and Lune catchments.	Scientific consultants engaged by Tasmanian Conservation Trust (Forgotten Wilderness, 1992) National Estate listing (Government body: Australian Heritage Commission, 1990s) Tarkine National Coalition proposals 1995-2004 (representing the Wilderness Society, ACF and local groups) Calls for World Heritage investigation by IUCN (1990s) Tasmania Together process (Tasmanian Government) 2000 Sundry reports as part of Regional Forest Agreement process (inc. Governments' Panel on World Heritage values, 1997)
These are the areas that contain the most timber/pulp resource of all the HCV areas	
Tarkine (includes most of the HCV forests of north-west Tasmania)	Scientific consultants engaged by Tasmanian Conservation Trust (Forgotten Wilderness, 1992) National Estate listing (Government body: Australian Heritage Commission, 1990s) Tarkine National Coalition proposals 1995-2004 (representing the Wilderness Society, ACF and local groups) Calls for World Heritage investigation by IUCN (1990s) Tasmania Together process (Tasmanian Government) 2000 Sundry reports as part of Regional Forest Agreement process (inc. Governments' Panel on World Heritage values, 1997)
Ben Lomond	National Estate listing (Government body: Australian Heritage Commission, 1980s) (part) Submissions to Regional Forest Agreement (TCT, 1996) Tasmania Together process (Tasmanian Government) 2000 Proposed Ben Lomond National Park (Wilderness Society, 2000)
North-East Highlands, including extensions to Blue Tier, Mt Victoria and Mt Arthur reserves and Panama Ridge	Submissions to Regional Forest Agreement (TCT, 1996) Proposal for a North-East Highlands National Park (community group 1998, revised 2008) Tasmania Together process (Tasmanian Government) 2000 Linking Landscapes Project (community groups and TWS 2007)
North-East Tasmania, including Mt Barrow, Mt Horror, Mt Cameron, Constable Creek – Lalla Tier, Fingal Tier, Evercreech, St Patricks River	Linking Landscapes Project (community groups and TWS 2007)
Eastern Tiers, Wielangta, Reedy Marsh, Tasman Peninsula, Bruny Island and other small areas	Scientists as part of Forests and Forest Industry Council, 1990 Community groups, 1990s Tasmania Together process (Tasmanian Government) 2000 Swift parrot breeding surveys and subsequent reports
Leven Canyon and Black Bluff	Community groups 1970s and 1980s Canyon and Bluff Working Group (The Canyon and the Bluff, 2003) and support from widespread community groups, 2003 Forestry Tasmania moratorium 2003

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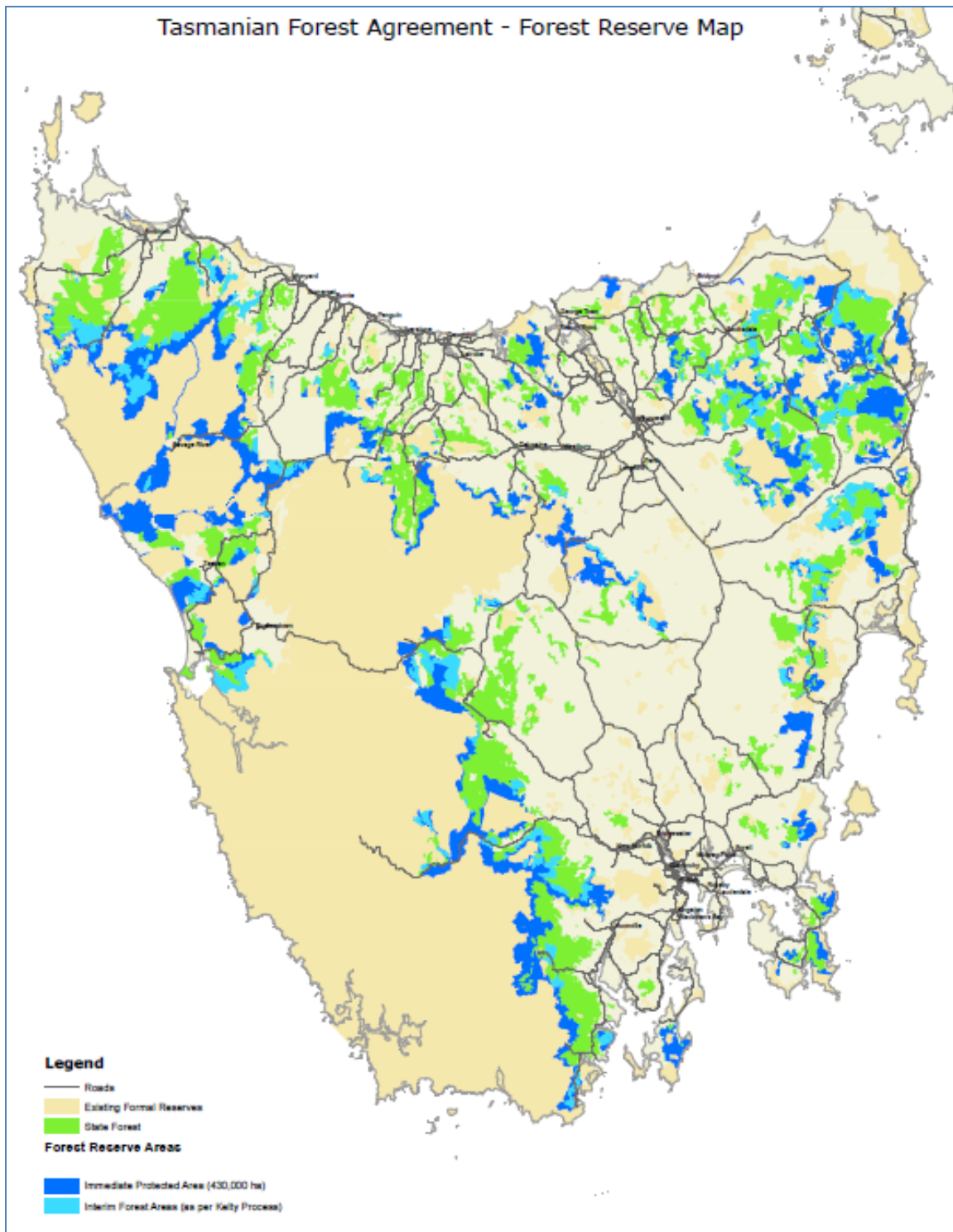




The precise definitions have not been provided to the public. However it is understood from those in the forest audit business that they have been determined for a Tasmanian situation and have not been subject to a wide or balanced review. As such there is a potential conflict of interest in setting standards, changing standards and auditing standards within the WWF Greenpeace accreditation scheme known as the Forest Stewardship Council. In addition this approach is wider and is subject to considerable arbitrary change and influence from individual groups than is the case with the wider internationally recognized and used Australian Forest Standard and the Program for the endorsement of Forest Certification (PEFC).

The end result has been a patchwork addition of many small areas that does not appear to have a consistent, strategic or logical basis.





Source: [www.environment.gov.au/land/forests/pubs/tas\\_forest\\_agreement\\_reserves\\_map.pdf](http://www.environment.gov.au/land/forests/pubs/tas_forest_agreement_reserves_map.pdf) (Ref 7)

The particular HCV have not been clearly identified in detail and so necessarily much emphasis has been placed by the environmental groups in the general use of the Precautionary Principle, particularly as a negotiating means, thus avoiding the issues of:

- what is being saved through the application of the principle
- what wider risks are being ignored (eg. major bushfires that could destroy the total habitat for many years)
- what is the strategic management plan for the area (and species)
- what maintenance costs are involved
- what cost/threatened species is involved
- what are the other options to allocate scarce resources etc, to improvement management outcomes of the areas
- are there better strategic options for grouping areas
- what is the fire management plan
- what is the plan to manage species
- how does the grouping of areas fit with commercial activists and or local community interests, etc.

Many experts are now questioning this application of the Precautionary Principle used to reserve particular areas, and the resultant environmental management strategies for approximately 50% of Tasmania's land mass. Some examples include:

- (a) Tim Flannery, a noted environmental leader, in his recent major article <sup>(Ref 2)</sup> *"Many land managers – scientists prefer to focus raises the question of ecosystem protection rather than the fate of industrial species, and this has led them to give priority to setting aside representative samples of each of Australia's ecosystem types in reserves and national parks. Of course this is important work, but I will argue that in and of itself it will not result in biodiversity protection. Instead, experience shows that unless such areas are carefully managed, the outcome for biodiversity is likely to be very poor indeed....."*. He points out that very few of these areas have valued and effective management plans in existence.
- (b) Don Francombe <sup>(Ref 8)</sup> a very experienced and respected forester in Tasmania with a significant involvement in Tasmanian forestry industries. He was particularly concerned with the ongoing threat to the future of crown native forest industry in Tasmania. He makes the points:
  - Under the proposed reduction in forests available, the viability of the sawlog and veneer industry will be problematic.
  - There is only a small area of young plantation that is currently targeting sawlog. The CSIRO sawing and drying trials of plantation grown *E.globulus* and *E.nitens* have not indicated the possibility of a viable (veneer) industry.

- The demise of Forestry Tasmania and highly trained work force, several thousand contactors and the downside effects on local communities.
  - Maintenance of many thousands of Km of the roads network in State Forests will not be financially possible to sustain as there will be little income generation. This will result in a loss of access for fire protection and tourism.
  - No criteria have been provided by the ENGO's for HCV.
  - The sustainable yield of sawlogs has been exceeded over many years.
- (c) ARC Centre for Excellence for Environmental Decisions<sup>(Ref 3,4)</sup> questions the wisdom of not applying a cost/benefit ratio to place priority on particular species and highlights the extremes that are often driven by a one-sided debate.
- (d) Others are also questioning the concept of fire management on differing types of areas. For example, Hamell et al<sup>(Ref 5)</sup> make the point that fire and fire practices influence the sustainability of flora and fauna and different species are influenced in different ways. Important issues for fire management for diversity in the conservation reserves of NSW is based on a number of principles:
- (i) There are multiple management responses. Since these different goals often require quite different fire regions, the landscape is divided into management zones, in which different goals have priorities. The existing Tasmanian situation is even more complex, with many pockets in the present HCV split, as well as commercial imperatives.
  - (ii) Biodiversity outcomes are determined by fire regions, not single fire area.
  - (iii) Species have limits of tolerance to different components of the fire and that these need to be managed.

The application of the WWF HCV approach to the Tasmanian application needs to be questioned.

While very precious and significant, the Tasmania areas are small when compared to the application in large forests areas globally, and scattered rather than in broad forest areas, usually in lesser developed parts of the world.



There is a significant conflict and opinion as to what are the basic HCV attributes and mitigation strategies.

In addition, the concept as applied in Tasmania disadvantages local communities, in contrast to the basic social tenements of the original concept.

It appears that full HCV assessment has not been made or released and that there are major gaps in definitions, conflicts in areas identified such as balanced environmental, social and economic outcome.

In particular, the forest and paper pulp processing industry is being weakened (apparently the aim of the environmental groups) and the chance to maintain and develop a viable sustainable development resource in Tasmania could slip by.

If similar precautionary approaches and arbitrary assessment processes are adopted in future management of Tasmania's resources, there will be significant impacts on resource activities involving:

- present and future paper pulp mills
- other value adding associated with native forests
- continued replenishment mining in the Tarkine and other regions
- waste disposal options and strategies, including the storage of controlled wastes
- commercial fishing, including pelagic fish
- effective bushfire management of the 60% of Tasmania covered by forests

- future options and directions of power intensive industries in Tasmania, etc.

As a reality check, it is useful to reflect on some everyday human activities that would be limited if the same extent of the precautionary principle instead of a more balanced environmental/social/economic balance assessment were applied.

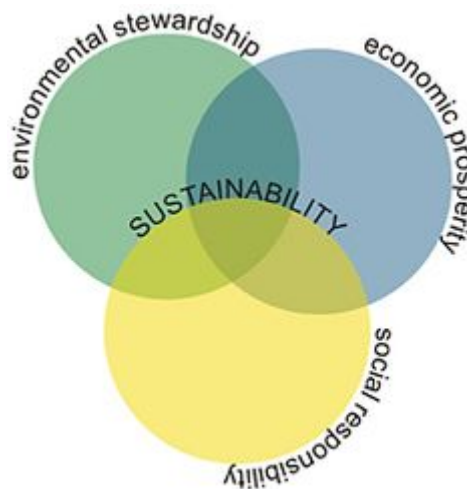
These include application of:

- modern pharmaceutical medicine and vaccinations
- evolution and improvement to transport vehicles
- development of energy efficient systems
- where risks and control strategies are established and trade offs are made so as to achieve an optimal balance.

In these cases a balanced approach has been established and single issue fixed portions have not been entrenched by the trashing of the best available pragmatic science balanced with appropriate risk management and regulatory controls.

### 3.0 Sustainable Development Methodologies

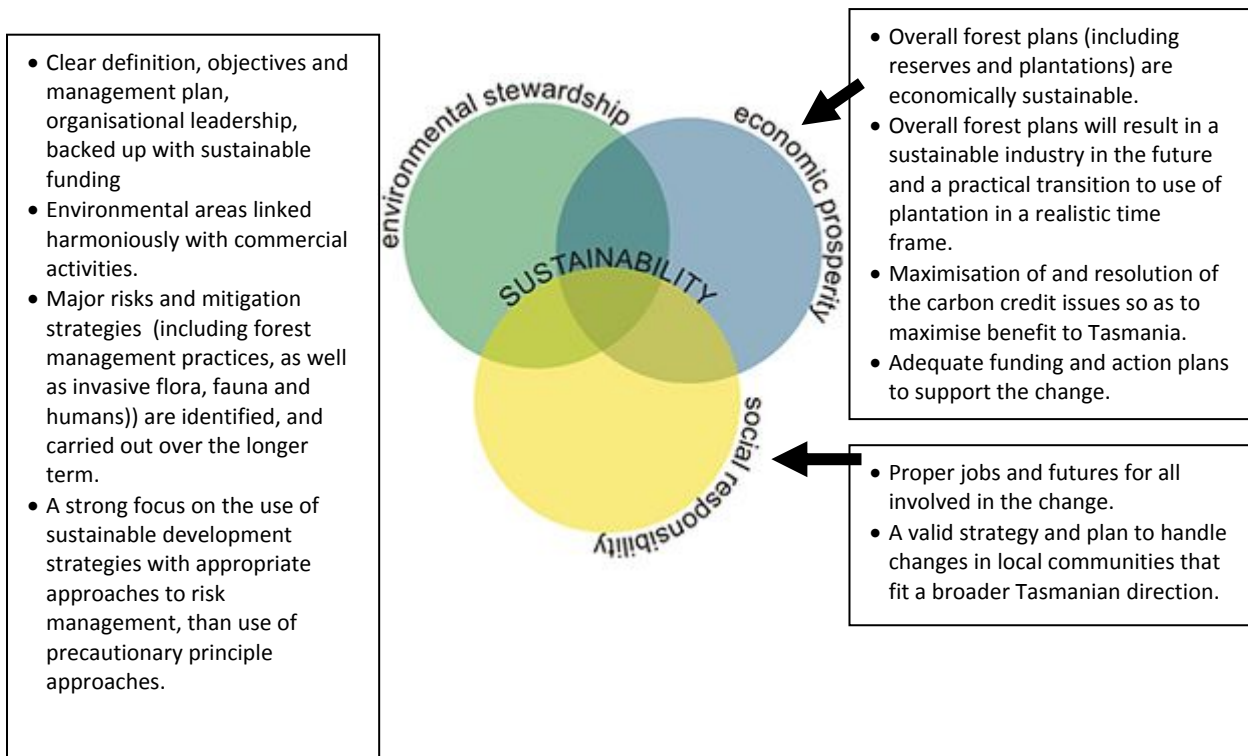
A balanced approach to manage resources and projects is to use sustainable development methodologies and consider



with appropriate risk and mitigation strategies. While the best known of these approaches is the Brundtland Report, other definitions include:

- Sustainable development is development that meets the needs of the present without comprising the ability of future generations to meet their own needs.  
*World Commission on Environment & Development (1987). Brundtland Report.*
- When human beings strive for enhanced life conditions without diminishing the meaning of life itself- namely our children's future-we call this development sustainable  
*3MFuture (2005)*
- Sustainable development is often thought to have three components: environment, society and economy. The wellbeing of these three areas is intertwined, not separate.  
*McKeown, R (2002) The ESD Toolkit 2.0*
- UNESCO promotes international resource development that is socially desirable, economically viable, culturally appropriate and ecologically sustainable.  
*Johnston E (2004) sustainable development program tall order*
- UN Conference on Environment and Development. 27 Principles of sustainability.  
*www.3mfuture/com/sustainability*
- What is sustainability? Sustainability means to equally consider environmental aspects, social and economic aspects. Thus, future-orientated management means: We have to leave our children and grandchildren an intact ecological, social and economic system. The one cannot be achieved without the other two.  
*German Council for Sustainable Development (RNE, 2005)*

A mapping of the current agreement, with issues that should also be addressed, which is significantly different to that proposed in Schedule 1 of the Forest Agreement Act, p41-51, to include:

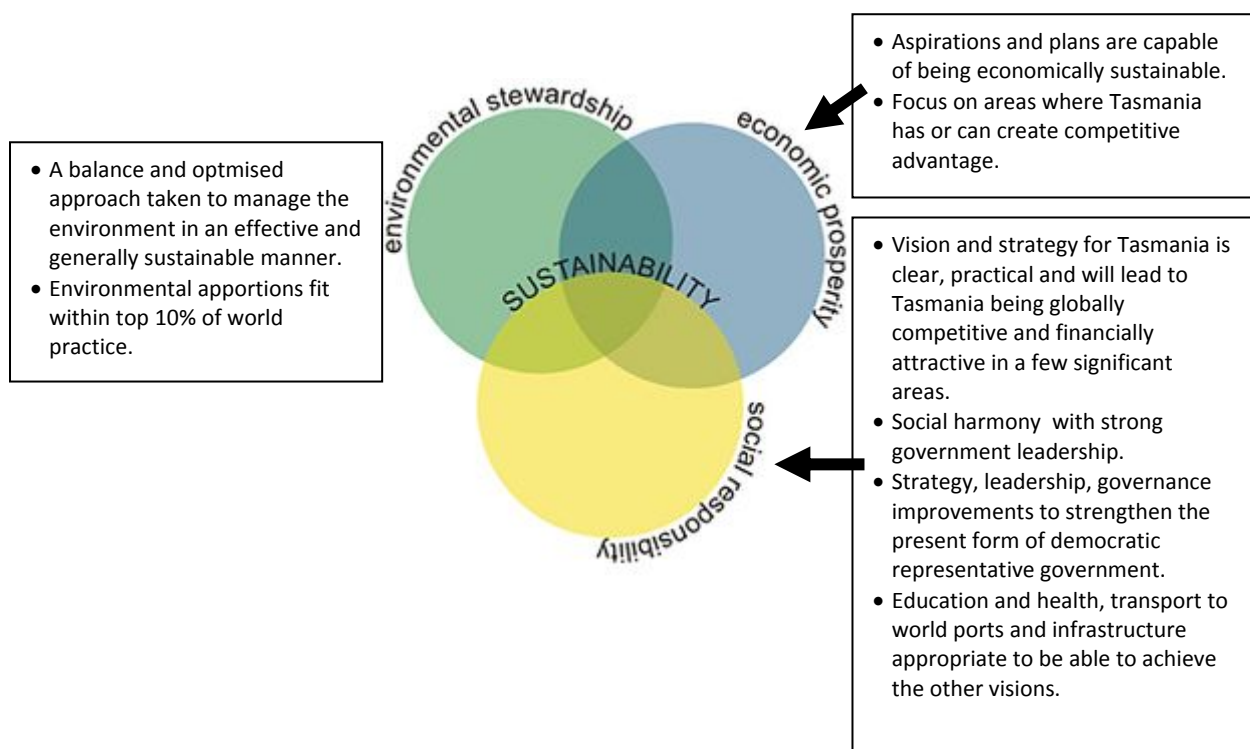


### Requirements to Satisfy Significant Changes through a Forest Agreement

With this framework resource and industrial development should be based on principles of being within the top 10% of world best practice. Indeed it is well recognised that Tasmanian Forest management application presently falls within this assessment. This measure is easily recognised, transferable and overall can achieve proven superior results rather than the present Tasmanian approach of wanting to be the world best (or better) without the means to achieve or manage this intangible measure.

It is also apparent that Tasmania at the crossroads and is slipping in most key indicators. Clearly a deliberate government action is needed to develop a strategic plan and vision that is viable and likely to be globally competitive and to use a significant portion of Tasmanian resources and (limited) competitive advantage together with a fragmented approach to overall government driven by a wide range of conflicting ideologies. This is in contrast to the present approach of adopting an overly strong emphasis on environmental opinions based on the precautionary principle on many matters and with linkages to industrial activity, hoping that the activity will be able to manage any and all additional imposts.

An indication of the application of the Sustainable Development approach is indicated below.



## 5.0 Suggestions / Choices

I suggest that there are two main options, ie.

(a) Accept the agreement, with or without minor changes, and hope for a miracle, or

- (b) Reject the agreement and suggest to the Lower House that major changes be made through an emphasis on the Strategic Direction of Tasmania.



## References

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7. Tasmanian Forest Agreement 2012. Conservation Agreement between Commonwealth, State of Tasmania and Forestry Tasmania.
8. Francombe, D., *“Letter to House of Representatives Inquiry into the Australian Forestry Industries”*, 25 March 2011.  
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March 25, 2011.

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### **Inquiry into the Australian Forestry Industry.**

My submission to the inquiry is specifically concerned with the future of the native forest industry in Tasmania and is based on my experience in the industry.

#### **Background Experience.**

I was raised on a farm near Smithton, attended the local State primary and High Schools, followed by Devonport High, Uni. of Tas. and the Australian Forestry School, Canberra from which I graduated with a B. For. and Dip For.

My professional experience includes : 3 years With Tas. Forestry Commission, 3 Years with Kildried Hardwoods P/L, 32 Years with Australian Newsprint Mills and 10 years as a consultant. I retired from ANM in the position of Forests and Wood Products Manager. I am 83 years of age, a fellow of the Institute of Foresters of Australia and a life member of the Consulting Foresters of Australia.

#### **Introduction.**

##### **A brief history of the Tasmanian timber industry.**

Over the last fifteen years more than 180,000 ha of eucalypt plantations have been established in Tasmania, mainly under MIS schemes on private land. The trust deed for most of these schemes identifies short rotation pulpwood as the target market.

Tasmania also has a comparatively small area ( about 70,000 ha) of pine plantation which is mainly owned by two organisations, namely FT/GMO joint venture and Norske Skog. These pine plantations serve two customers, Gunns mill at George Town and Norske Skog at Boyer with smaller quantities going to a Longford preservation plant.

It is the ongoing threat to the future of crown native forest industry in Tasmania to which I am most concerned and to which this submission is directed.

Following WW11 there was a boom in hardwood sawmilling during the 1950s with the annual cut from Tasmanian State forests up to around 900,000 m3. The Forestry Commission lobbied for years to reduce the cut and succeeded in the mid 1970s to reduce the cut to 400,000 m3.

It should be noted that no compensation was paid to the sawmilling industry in recognition of their loss in log allocation.

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There followed a series of inquiries, beginning with the Helsham Commission into the Lemonythne and Southern Forests in 1987, followed by the Labor/Green Salamanca Agreement which gave rise to the Forest and Forest Industry Strategy ( FFIS) in 1990, (Endorsed by all parties with the exception of the Green representatives ).

In 1981, less than 600,000 ha or 8.5 % of Tasmania was in reserves. Following the Helsham Inquiry and the FFIS, over 1.6 million ha or 24 % was in reserves.

Then followed the negotiations involved in the signing of the Tasmanian Regional Forest Agreement which resulted in the further loss of 487,000 ha to reserves and 48,000 of forest on private land.

The Federal Government made substantial payments of compensation to the State on each occasion. ( \$50 million for the Helsham agreement and \$110 million for the Regional Forest Agreement ).

Arising from the Forest and Forest Industry Agreement the sustainable yield of sawlogs was calculated by Forestry Tasmania to be 284.000 m3 per annum.

The sawmillers were successful in lobbying the Tasmanian Government in legislating an annual supply of 300,000 m3 of sawlogs.

Negotiations which lead to the signing of the Regional Forest Agreement involved expert analyses of all the forested land in Tasmania, including private land, to identify all areas which qualify for a Comprehensive and Adequate Reserve" system.

The resulting RFG included the following undertaking

#### ***"Future Listings***

***12. The Parties note that the Commission has agreed not to undertake any further regional studies of Forests in Tasmania.***

***13. The Parties note that the Commission has confirmed that, based on the Joint Study, there is no evidence to identify additional large areas with National Estate Values in the Forest Estate and that it therefore will not, subject to statutory provisions, list additional large places in the region.***

***14. The Parties note that the Commission has agreed that future nominations will be referred to them, and agree to work in a cooperative and timely fashion when considering whether such nominations will be recommended to the Commission for listing. As part of this process the Parties will compare the nominations with the existing Tasmanian Forest National Estate database and to consider any new research or information provided.***

***15. The Parties will jointly agree on any future forest related recommendations to the Commission for listing. The Parties note that the Commission has agreed to work cooperatively with them on the detail of any consequent listings that may arise. "***

In November last representatives of the timber industry, unions and conservation groups signed the following **"Statement of Principles"**.

**General wood supply.**

Provide a sustainable resource supply to industry based on an agreed minimum. quantity and quality requirement. This will be underpinned by legislation.

**Native forest wood supply.**

Subject to the provisions of the transition, as legislated native forest entitlements are handed back, ensure these entitlements will not be allocated nor licensed to new players.

**High-conservation-value forests:**

Immediately protect, maintain and enhance high-conservation-value forests on public land identified by environment parties to this agreement.

**Transition:**

Transition the forest industry out of public native forests into suitable plantations.

**Industry/pulp mill:**

Create a strong sustainable timber industry including the development of a range of plantation-based timber processing facilities, including a pulp mill. There will need to be stakeholder consultation and engagement with the proponent, environmental groups and the community.

**Specialty timbers:**

Provide for ongoing specialty timber supply including eucalypt for our Tasmanian high-value furniture and craft industries through a negotiated plan and timeline.

**Private Forests :**

Encourage and support, but not mandate, private forest owners to seek assistance for certification, and protect, maintain and enhance high –conservation value forests on their properties.

**Impacted Communities :**

Support impacted rural and regional communities, workers, contractors and businesses through a range of economic development, financial assistance, compensation and retraining measures.

**Tourism :**

Develop Tasmania's nature based tourism industry in line with these principles.

**Community engagement :**

Engage and involve the broad Tasmanian community in the development and implementation of a durable solution to the Tasmanian forest conflict.

**Biomass :**

In Tasmania, only permit plantation forest processing and plantation harvesting residues to be used as biomass for Renewable Energy Certificates.

**Certification :**

Encourage Forestry Tasmania to firstly obtain Controlled Wood accreditation on delivery of the moratorium, secondly, obtain full FSC certification on resolution of an FSC National Standard.

**Legislation :**

Require State and Federal legislation to implement agreed outcomes arising from these principles including appropriate review mechanisms, milestones and sanctions.

It should be noted that it is an all or nothing heads of agreement.

The genesis of the process was Gunns' announcement that the company proposed to cease all native forest operations in order to win a "social licence" and finance for the building of their proposed kraft pulp mill at Longreach.

Gunns currently has a contract with Forestry Tasmania to purchase 220,000 m<sup>3</sup> of high quality sawlogs from State Forest together with all of the pulpwood arising from FT operations.

FT has a statutory obligation to supply a total annual supply of 300,000 m<sup>3</sup> of sawlogs to the industry.

Gunns have indicated that its agreement to relinquish its native forest timber rights is conditional on the Statement of Principles being fully implemented and a payment to the company of compensation by the Commonwealth Government of more than \$200 million. Both major State and Commonwealth political parties have indicated strong support for the Gunns pulp mill proposal and the mill has passed all environmental hurdles.

**Implications of a successful implementation of the Principles.****A. Short term.**

- \* Gunns may obtain a partner and finance to build the pulp mill.
- \* the remaining family based sawmillers and some of the "Country" sawmillers will have a guaranteed supply of about 150,000 m<sup>3</sup> of quality sawlogs from native forests until 2027.
- \* Malaysian company Ta Ann will have a guaranteed supply of logs until 2027.
- \* Up to 572,000 ha of forest identified by the conservation groups as possessing "high Conservation values" will be withdrawn from timber production and placed in National Parks.
- \* What happens to native forest pulpwood arising from timber harvesting and sawmilling is not clear.

**B. Longer term.**

- \* in the extremely unlikely possibility of a move out of native forests into plantations is achieved the remaining 720,000 ha of State Forest will be taken out of production and placed into National Parks.

The reason for scepticism on a transition out of native forests to plantations is that

- (a) Only a small area of young plantation is currently targeting sawlog and
- (b) CSIRO sponsored sawing and drying trials of plantation grown *E. globulus* and *E. nitens* have not indicated the possibility of a viable industry.

### **Implications for Tasmania and Australia.**

These trade offs to get a pulp mill will have short and long term costs in terms of investment in the forest industry, particularly in down stream processing and employment, and in rural areas such as Circular Head and the southern forest, where communities are so reliant on native forests and where there is little scope for plantation expansion.

With a full implementation of the plan 60% of the State will be in reserves.

Our native ash eucalypts compare favourably with the best hardwoods in the world in applications such as solid furniture, strip and floating floors, construction grade plywood and LVL and fancy veneer.

However it must be recognised that if the "Principles" are achieved the Tasmanian native forest resource has critical limitations in terms of :

- \* its small volumes does not justify major investments in the production of bulk commodities.
  - \* a relatively small proportion of the timber is of select grade. Therefore a market must be available for lower quality timber and
  - \* the current sawmilling industry has largely been reduced to small family based companies which lack the scale or finance to pursue downstream processing.
- One exception to this lack of scale is the recent arrival of the Malaysian based company Ta Ann. Ta Ann has built two modern rotary veneer mills, one in the Huon Valley and the other at Smithton. Its product has been enthusiastically received by Asian buyers. The mills use short regrowth logs and can tolerate internal defects such as small knots and gum veins. The product is being exported in dried leaf for downstream processing in Asia. There would appear to be little incentive for the company to further value add in Tasmania.

### **Unnecessary consequences**

Why is it necessary to destroy the profitable native forest industry as a trade off to get a pulp mill ?

Transferring 1.3 million ha of State Forest to National Parks will have the following deleterious effects.

- \* the demise of FT and its highly trained work force, several thousand contractors and associated businesses.
- \* the loss of a profitable \$700 million industry.
- \* maintenance of many thousand km of the road network in State forests. It will not be financially possible to maintain these roads with no income generation and will result in a loss of access for fire protection and tourism.
- \* a substantial increase in cost to the State and Commonwealth taxpayers for administering 60% of the State in reserves.

In spite of the fact that the major wood producing countries in the northern hemisphere source most of their timber from native forests the Australian environmental movement believes that our native forests should not be professionally managed and harvested in a sustainable way.

An argument commonly made for the protection of native forest is their value as a carbon storage. It cannot be denied that an oldgrowth forest does store a lot of carbon but it is equally true that such a forest is at best in carbon equilibrium and gradually gives up carbon in senescence or when destroyed by fire or storm.

The rate at which a forest store carbon is directly proportional to its net growth rate. Thus a regenerated forest rapidly puts on wood (carbon storage ) until growth rate peaks at about 20-30 years and thereafter gradually declines until it reaches a steady state at maturity.

Thereafter the growth of the forest is concentrated on fewer tree while the rest die through competition.

In a well managed forest for timber production the trees which would die naturally through competition are thinned and converted into products which store carbon including furniture, building material and paper.

The result is that a well managed forest for wood production will, in the long run result in the storage of more carbon than a forest allowed to grow without thinning to over maturity.

### **High Conservation Forest.**

572,000 ha of "High Conservation Forest" has been identified by the Conservation NGOs for a moratorium on logging. No criteria has been provided for the inclusion of forest in this category. This contrasts to the strict assessments previously employed by scientists in identifying the 487,000 ha of crown forest and 48,000 ha of private property which qualified as CAR reserves during the long negotiations leading to the Tasmanian Regional Forest Agreement.

Withdrawal of this forest from potential wood production comes at a cost of future management of a non productive asset and also in terms of forgone opportunity for wood production. Not all of the 572,000 ha carries forest but let us assume that only half is suitable for wood production. A conservative annual growth rate of about quarter of that which is achieved in a plantation, say 6 m<sup>3</sup>/ha/year would provide a annual yield in perpetuity of 1.7 million m<sup>3</sup> or tonnes.

### **Conclusions.**

The long term prospects for employment in the Tasmanian timber industry will be directly related to the area of suitable land available for growing of trees.

Without a market for pulpwood the native forest sawmilling industry is not viable.

*The Statement of Principles is not in the best short or long term interests of the people of Tasmania and in particular the future employment and career opportunities of rural Tasmanians.*

Implementation of the Principles will incur a substantial and ongoing tax burden on the Tasmanian communities and the Australian Government.

There is no factual evidence that the locking away of 1.3 million ha of forest in National Parks will yield a greater net benefits in carbon sequestration than by managing the forest for multi-use wood production.

Don Frankcombe.

