

ENVIRONMENT TASMANIA  
The Conservation Council



AUSTRALIAN  
CONSERVATION  
FOUNDATION

**Submission to the**

**Legislative Council Select Committee on the Tasmanian  
Forests Agreement Bill 2012**

From:

The Wilderness Society,  
Environment Tasmania and  
The Australian Conservation Foundation

18 January 2013

## Executive Summary

- Collectively, the signatory ENGOs represent a critical mass of people in Tasmania and across Australia concerned about the conservation of Tasmania's forests
- The management of Tasmania's public native forests have been marred by decades of polarised community debate and conflict resulting in a zero sum gain for all concerned: industry, the community and the natural environment.
- The Tasmanian Forests Agreement is derived from a collaborative approach to conflict resolution.
- History has shown that only by working together can we achieve long term outcomes satisfying those with differing views and interests (see the examples of Landcare and the FSC in the appendix).
- It is our firm belief that the TFA will bring about a genuine, lasting end to conflict over Tasmania's native forests.
- According to many in industry, the TFA offers the only way to avoid a catastrophic collapse of the supply chain of the Tasmanian native forestry industry.
- From an environmental perspective, the implementation of the Agreement will resolve a range of outstanding issues on public land, including the proper legislated protection of forests of high conservation value and rectifying the boundary of the current Tasmanian Wilderness World Heritage Area (TWWHA).

## 1. Introduction

Environmental Non-Governmental Organisation (ENGO) signatories to the Tasmanian Forests Agreement (TFA) are long time participants in the debate over forests and forestry in Tasmania and other previous attempts to resolve the issue.

We recognise that the management of Tasmania's public native forests have been marred by decades of polarised community debate and conflict resulting in a zero sum gain for all concerned: industry, the community and the natural environment.

As a consequence, we have participated in and embraced a new, collaborative approach to resolving this issue. We are committed to that approach and the Agreement we have signed. It is our firm belief that the TFA will bring about a genuine, lasting end to conflict over Tasmania's native forests. Whilst, for a range of important reasons, our organisations were openly advocating the speedy passage of the Legislation to implement our Agreement, we respect the decision of the legislative Council to defer debate and the final vote. We recognise the democratic process and power of the Council to establish a committee to examine the legislation, and are constructively participating in this process with the view to hopefully addressing expressed concerns and achieving Legislative Council support for the Agreement and what it will achieve.

This submission should be read in conjunction with evidence presented before the Committee. We aim to address relevant issues raised by Councillors through this submission and our appearances before the Committee.

## 2. The Signatory ENGOs

Collectively, the signatory ENGOs represent a critical mass of people in Tasmania and across Australia concerned about the conservation of Tasmania's forests. With demonstrable support for the Agreement and all of its outcomes, we represent a clear and unified voice that will help turn around the divisions of the past, promote both the environmental, social and industry outcomes, and continue what has been a unique collaboration to resolve a long running conflict.

**Environment Tasmania** is a not-for-profit conservation council dedicated to the protection, conservation and rehabilitation of Tasmania's natural environment. Australia's youngest conservation council, Environment Tasmania is a peak body representing over 20 Tasmanian environment groups, with collective representation of over 5000 Tasmanians.

Environment Tasmania was publicly launched in December 2006 and is structured to ensure clear independence, an apolitical nature and accountability to its' member conservation groups. Environment Tasmania is governed by its' members who determine the organisations conservation policy and direction through general

meetings. The member groups also elect a Management Committee who oversee and set policy for operational issues.

Member groups with a direct interest in forest protection and are involved in public campaigns include; Florentine Protection Society Inc., Friends of Jackeys Marsh, Future Tasmania, Launceston Environment Centre, Mole Creek Caving Club, Nature Photographers Tasmania, Northeast Bioregional Network Inc., Panama Forest & Denison River Catchment Group, Peninsula Environment Network, Save Our Sister, Spirit of Bruny, Tarkine National Coalition, Tasmanian National Parks Association Inc., The Wilderness Society, West Wellington Protection Group and Wild Wielangta

**Australian Conservation Foundation (ACF)** is a national, community-based environmental organisation that has been a strong voice for the environment for nearly 50 years, promoting solutions through research, consultation, education and partnerships. ACF works with the community, business and government to protect, restore and sustain our environment. In 2012, over 35,000 people supported the work of ACF as financial members and supporters.

**The Wilderness Society (TWS)** is a national environmental advocacy organisation whose purpose is protecting, promoting and restoring wilderness and natural processes across Australia for the survival and ongoing evolution of life on Earth. TWS works in line with the following set of specific values; passion for our purpose, the power of people to make change, organisational independence and integrity, compassion in dealing people, and a commitment to success in protecting the environment.

TWS is a community-based organisation with campaign centres located in most state Capital cities. In Tasmania it has campaign hubs in Hobart and Launceston.

TWS works through the avenues of public education and empowerment including in the financial and retail market place, advocacy and negotiation, and desk and field research. The Wilderness Society is politically unaligned, but uses democratic processes to maximise wise conservation decisions.

### **3. The eNGO consultation and the Forest Reference Group**

Prior to the signing of the Statement of Principles, and in all subsequent negotiation processes, the signatory ENGOs established and ran a robust consultation process across the environment movement. Environment groups and relevant individuals with an interest in forest conservation were invited to participate in the weekly Forest Reference Group. This forum met (and continues to meet) weekly or more regularly at critical periods through out the process. It is a forum for two way communication about the process, its progress and critical issues. It has proven an important forum for negotiators to update constituents and hear direct feedback.

The Forest Reference Group originally included a small number of environment groups who have at times been critical of the TFA process, including the Huon Valley Environment Centre, and the Tasmanian Conservation Trust. These organisations chose to withdraw from the forest reference group during the later stages of negotiations between signatories. ENGOs signatories have attempted to continue to consult with these groups, to express clearly and directly our strong support for the agreement and our commitment to backing the TFA in markets for Tasmanian timber, once the conservation outcomes of the agreement have been delivered.

## **4. Tasmanian Forests Agreement**

### ***Collaboration achieves long term solutions***

As discussed in the joint signatories' submission, the TFA is derived from a collaborative approach to conflict resolution and represents what signatories and many others believe is the best mechanism to move a range of critical issues forward.

History has shown that only by working together can we achieve long term outcomes which can satisfy those with differing views and interests. Global developments such as the consensus building Forest Steward Council certification process, outcomes such as the Canadian Boreal Forests Agreement and in Australia initiatives such as Landcare (see the appendix), are just some of the numerous success stories which show that collaborative solutions from industry, the community and the environment movement can achieve long term resolution to complex land management issues.

It is our firm belief that implementation of the TFA offers the best chance in many decades to resolve the long running and divisive debate over the management of publicly owned forests. It represents a critical mechanism to constructively heal divisions, misunderstandings and conflict over the differently held personal values of individual Tasmanians and beliefs about how forests and forest resources should be managed.

### ***Durability and Peace***

It is reasonable, given the bitter history of conflict over forests in Tasmania, to have some healthy skepticism of the chance for the forests process to achieve genuine success. However it is useful to recognise that there are many successful precedents for multi-stakeholder processes in other forestry jurisdictions. This process, which has worked successfully in Tasmania, is not carving new ground but draws on learning from positive experiences in other places. To cite a few;

- **South East Queensland Forests Agreement** signed in 1999 between the Queensland government, the conservation movement and the timber industry. The conservation movement have supported the agreement and

there has been little conflict since the agreement was signed – until recent attempts by the Qld government to unwind the agreement.

- **The New Zealand Forest Accord** – signed in 1991, an agreement between the NZ Forest Owners Association and various conservation and recreation groups. The New Zealand Government was not a party to the agreement. The agreement aimed to end the clearing of indigenous forest in return for the conservation movement's support for a largely plantation-based forest industry as an environmentally sustainable industry. The Accord established an ongoing dialogue between the parties to resolve issues, end decades of division and community opposition to the forest industry. Since the signing of the NZ Forest Accord in 1991, the forest industry has expanded dramatically with broad community support
- **The Great Bear Rainforest in British Columbia.** In March 2009, a plan to protect a globally significant temperate rainforest region on Canada's Pacific Coast was endorsed by the British Columbia Government, environmental groups and forests companies. It took years of conflict, negotiation, assessments and the intervention of international forest products customers for the agreement to be achieved. When the agreements were ratified, the forest and paper industry praised the ratification of the agreements as an achievement that would bring certainty for businesses operation in the area and certainty for customers seeking environmentally appropriate forest products.

These examples are not cited because they are perfect solutions or they provide a cut and paste template for Tasmania, but they do offer important lessons. In each case, significant conflict, polarisation and protests had existed, and in each case previous government imposed solutions had not worked. Whilst there are many lessons to be learned from other jurisdictions, in each of the cited examples, fundamental pre-requisites for success were:-

- Ready and ongoing consultation between the forest industry and conservation/community groups
- An acceptance that change was needed
- A willingness for governments to support that dialogue and process of change

A great example of potential durability in Tasmania can be seen in the transition of Australian Newsprint Mills (ANM) in the Derwent Valley two decades ago.

During the late 1980s, environmental campaigns against logging old native forests focussed on ANM. At the time, the company was logging forests of tall Eucalyptus regnans for pulp and newsprint production. These forests included Florentine valley

forests that had been excised from Mt Field National Park and allocated to ANM in 1950.

Following its purchase by the Fletcher Challenge group in 1989, a new CEO, Graham Ogilvie, brought in a new more environmentally sensitive approach. With significant capital investment, the Boyer mill was modernised and effluent dramatically cleaned up. But more importantly, the mill stopped logging old native forests during 1991 and started using supplies from plantations and regrowth forests.

Despite cynics claiming environmentalists would never be happy with any ongoing logging, ANM's transition was welcomed by the environment movement. The campaigns and the protests stopped. The company signed major new customers and its economic performance improved. New owners Norske Skog continued Ogilvie's approach and the mill continued to improve its environmental credentials and enjoyed an ongoing constructive relationship with environment groups.

Some cynics may say that ANM gave in to the demands of environmental groups and thus managed to survive. We believe the real lesson here is that ANM adjusted to the changing expectations of communities and its customers. This not only improved the company's financial performance, it immediately improved their reputation and built their community standing and their brand. It remains one of the healthiest forest businesses in the state. We believe that the same opportunities will be opened up for other forest businesses across the State as a result of the success of the TFA.

### ***Economic and social outcomes***

According to many in industry, the TFA offers the only way to avoid a collapse of the supply chain of the Tasmanian native forestry industry and provide a viable future for the industry and communities which it supports, based around native forests and increasingly, the massive plantation estate.

Poor economic viability has plagued the native forest sector for many years and change has been seen by many as inevitable. That change has been particularly evident in the last decade and has in a large part, motivated the collaborative approach to conflict resolution that has been adopted by industry, unions and environment groups. Previous change has largely gone unsupported and in an unstructured way, leading to accentuated challenges for affected companies, individuals and communities and a deepening of values-based divisions within the Tasmanian community.

Since the signing of the Intergovernmental Agreement on Forests (IGA) people working in the forestry industry have been supported through structural change. The

TFA continues this approach of managing and guiding change and compassionately supporting people who have depended on the industry. It provides exit and worker support for contractors and processors, funding for regional development and specific initiatives to avert the collapse of the supply chain and stabilise the industry with the view of assisting its growth into the future.

### ***Environmental outcomes***

The forests proposed for reservation via the legislation before parliament represent some of the world's most outstanding native forests ecosystems. They include the world's tallest flowering plants, Australia's largest tract of cool temperate rainforest, glacial refugia with lineage back to the last ice age, areas of critical importance to threatened species such as the Giant Freshwater Crayfish and the Swift Parrot, and areas of outstanding natural beauty. Indeed expert assessment of the forests proposed for reservation confirmed that most of the proposed reserves were of national or international heritage significance.

The implementation of the Agreement will resolve a range of outstanding issues on public land, including the proper legislated protection of forests of high conservation value and rectifying the boundary of the current Tasmanian Wilderness World Heritage Area (TWWHA).

These are all outcomes the ENGOs fully support and need to see realised via the legislation currently before the Legislative Council or other implementation processes currently in train or triggered on passage of the Tasmanian Forests Agreement Bill 2012 (TFA Bill 2012).

ENGOs take Clause 2 of the TFA seriously and have, and will continue to, publicly and proactively support the Agreement and its outcomes. We have demonstrated the paradigm shift offered by this Agreement through our willingness to offer support for the industry in the domestic and international market place, in advance of any tangible environmental outcomes being delivered in a durable and satisfactory way. Ongoing support in this way is understandably dependant on the implementation of the agreement and its conservation outcomes.

## **5. TFA Bill 2012**

We believe the TFA Bill 2012 offers a genuine representation of the Agreement. However, we accept that there may be some elements of the Agreement that could be better reflected through amendment to the current Bill.

Any amendments to the Bill must be consistent with the spirit and intent of the Agreement. Given the marathon stakeholder investment needed to consult, negotiate and achieve the TFA, we believe it would be unwise to amend the architecture and elements of the Agreement. Doing so jeopardizes signatory and



stakeholder support for the Bill, the implementation process and the delicate balance of the outcomes.

We therefore recommend the full group of signatories are consulted on any proposed amendments to the TFA Bill and the advice emanating from that group is heeded. As ENGO signatories with long experience working within this group, we believe it has the capacity to give considered, consensus-based advice to members on the appropriateness of specific amendments and the impact or otherwise it will have on the implementation of the Agreement.

## **6. Key Issues raised by Councillors and other parties during Debate**

### ***Process leading up to the TFA***

Much has been made about the TFA process and the subsequent TFA Bill 2012.

The reality is this has been a true stakeholder-led process free from political interference. Representatives of the stakeholders most critical to delivering a resolution to forest conflicts got together and mapped out a different, negotiated process that tried to avoid the weaknesses of past efforts. Participants felt it was critical for the process to remain independent of government direction and political interference because of the demonstrable failure of past political process to secure a consensus-based resolution.

Consistent throughout the TFA process has been the belief that should stakeholders most involved in the debate over public forests and forestry reach agreement, then it would provide political representatives of all persuasions the best opportunity for resolving the conflict and help timber workers, industry and people concerned about conservation to move on from conflict and towards a more constructive direction.

Should Parliament reject this unprecedented Agreement, all stakeholders, including signatories will have little choice but pursue their objectives via alternative means. Some have described this as the MAD or 'mutually assured destruction' option. ENGOs believe this is by far the least desirable option.

It is a fact that some stakeholders currently claiming to be excluded from the process were at one point actively involved but voluntarily chose to step away. This is the case for groups such as the Tasmanian Farmers and Graziers Association, involved in the original discussions leading to the signing of the Statement of Principles. It is also true of the Tasmanian Conservation Trust, an active participant in the forest reference Group until the signing of the Statement of Principles document. Whilst disagreement with the outcomes of the TFA is a legitimate view, claims of active exclusion are not.

Concerns have been expressed at the 'rushed' nature of the process, the 'secrecy' of the negotiations and lack of information and consultation. However during the

almost three years of the process, Signatories maintained public meetings and commentary and published agreements at critical points. Following the signing of the initial Statement of Principles, Signatories and Government engaged the public in many forums and open public meetings.

From the outset ENGOs jointly held public meetings to discuss the Statement of Principles and all elements of both that document and the environmental claim. Over the course of 2010- 2012, meetings were held in Hobart, Launceston, Huonville, Margate, Dodges Ferry, Rowella, New Norfolk, Deloraine, Burnie and Swansea. Each was publicly advertised and well attended by a broad cross section of the community. Similarly, over the course of this period, The Wilderness Society has offered 'Kitchen Table' briefings, visiting private homes and addressing small groups of Tasmanians who have chosen to engage and become informed.

Meanwhile, no less than nine documents covering the negotiations and their direction were publicly released and discussed. This included the Statement of Principles (Oct 2010), Kelty Agreement (June 2011), Heads of Agreement (July 2011), Tasmanian Forests Intergovernmental Agreement (August 2011), Independent Verification Group Expert Report (March 2012), Draft Tasmanian Forests Agreement Bill (June 2012), Signatories Interim Agreement (August 2012), Tasmanian Forests Agreement (November 2012) and the final Tasmanian Forests Agreement Bill (Dec 2012).

The process that produced the TFA and TFA Bill 2012 was unique in being collaborative, consensus-based and characterised by good will. Given the long history of failed political solutions, we believe it was an entirely appropriate and legitimate effort to resolve this long running and deep-seated conflict.

Ultimately it will be up to the Tasmanian Parliament to determine land use, resource and other issues. While we have provided what we believe is the only achievable option for resolution in the TFA, the decision to accept or reject this resolution rests with the Legislative Council and its vote on the TFA Bill 2012.

### **Past forest processes**

Previous attempts to achieve a balance between environmental protection and forestry have failed, largely due to the political nature of the processes.

A look at these past processes shows that the actual negotiated agreement on reserves and wood supply in the TFA is unique in Tasmania's history. It is the first time that industry, environment groups and the forestry union have negotiated and reached a signed agreement on the future of our forests and forests industry.

### ***Forests Proposed for Reservation***

The conservation case for the forests proposed for reservation is a strong and comprehensive one.

The conservation claim over the nominated forests reserve areas, including the World Heritage extensions dates back decades and has been the subject of many studies, reports and reviews.

The conservation values of the forests proposed for reservation have been documented over many years, and the reserve proposals developed by environment groups over many years have focussed on the protection of:

- Large intact natural forest areas;
- Forest areas displaying ecological maturity;
- Forest areas of social, cultural and spiritual importance to local, national and/or international communities;
- Forest ecosystems and habitat with important biodiversity values;
- Forest areas that contribute to good reserve design (eg buffering and ecological connectivity); and,
- Forests with important ecosystem service functions (eg carbon rich forests, water catchments)

Within the reserve proposals are relatively small areas of forest where conservation values have been degraded in the past but are likely to be restored through appropriate management (including future absence of logging), where the inclusion of such areas in the proposed reserves is predominantly to enhance reserve design principles such as connectivity.

In August 2011, eNGOs published the report *Tasmania's Native Forests: Places for Protection*, a comprehensive analysis and compilation of over 600 pages of scientific, government and community group reports that underpinned the development of the forest reserve proposal on public land.<sup>1</sup> In addition, since 2011 numerous versions of brochures, pamphlets, web features and newspaper stories have both articulated the conservation case for the proposed reserves and published the corresponding map.

At the insistence of both Governments and industry signatories, an independent expert verification process was undertaken to assess and verify the conservation values of the identified forest area. As part of the Independent Verification Group, independent scientific experts were commissioned to undertake this verification. Experts involved in that assessment included Professor Brendan Mackey from the Australian National University, Dr Michael Lockwood from the University of Tasmania, Peter Hitchcock AM, Professor Chris Johnson, Dr Menna Jones, Dr Peter McQuillan, and others.

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<http://www.et.org.au/system/files/userfiles/Tasmanias%20Native%20Forests%20Places%20for%20Protection%20August%202011.pdf>

The conservation values assessed by the experts are encapsulated by the statement below *“Therefore, the overarching approach taken by the IVG was to assess the additional benefits to the NRS of the ENGO forest. “Benefit” was defined in terms of ten conservation values: (i) Representation of forest biodiversity; (ii) Habitat for listed threatened species; (iii) Refugia; (iv) Old-growth; (v) Wilderness; (vi) Heritage; (vii) Connectivity; (viii) Restoration; (ix) Ecosystem services and (x) Unique features. These values encompass the claims made by the ENGOs but are grounded here on Australian Government forest, biodiversity and environmental conservation commitments as articulated in international law (Convention on Biological Diversity, World Heritage Convention), Commonwealth law and national policy statements.”*<sup>2</sup>

The full report overwhelmingly confirmed the conservation significance of the majority of nominated areas.<sup>3</sup>

*“It is apparent that beyond the ENGO proposed reserves, state forest land in Tasmania has been extensively logged and/or converted to plantation with the result that much of the natural heritage values have been destroyed or severely degraded. The ENGO reserves have been found to mainly encapsulate most of the remaining intact forests. It follows that the ENGO proposed reserves represent the last chance to address and protect many natural heritage values on forested public land”* - Summary of conclusions. Pg 18.

## **Fire**

As evidenced by the opening weeks of 2013, fire in the Australian landscape is a real and present issue facing land owners and managers. It is tenure blind, adaptable to almost any terrestrial ecosystem and predicted to escalate in severity and regularity due to long term drying trends and frequency of catastrophic weather conditions.

We believe that the professionalism and effective coordination between agencies, including TFS, PWS, FT and emergency services, is a critical component of the effectiveness of Tasmania’s response to bushfires. We also believe that it is critically important that there is effective fire-fighting capacity across all relevant agencies, and sound risk, fuel reduction, education and fire-prevention strategies in place.

ENGOs are supportive of well-planned and appropriate fuel reduction burns as part of Tasmania’s bushfire prevention strategies, in line with the expertise and guidance of experts in fire ecology, bushfire management and prevention.<sup>4</sup> Guiding principles should include prioritisation for the protection of property and person and reducing risk, along with ecological principles to protect environmental values. Issues relating to sound fire risk and management in protected areas and production forest areas have been extensively researched by scientists such as Professor David Lindenmayer

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<sup>2</sup> [http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg\\_capstone\\_final1-1.pdf](http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg_capstone_final1-1.pdf)

<sup>3</sup> <http://www.environment.gov.au/land/forests/independent-verification/report.html>

<sup>4</sup> <http://www.wilderness.org.au/campaigns/forests/DougApsley>

of the Fenner School of the Environment and Society at the Australian National University,<sup>5</sup> along with a range of scientists, researchers, and experts and leaders in the field of fire prevention and emergency response – whom we believe are those best placed to continually review and strengthen our fire prevention policies and strategies.

There are genuine concerns relating to the capacity within Tasmania's fire management regime as a result of the downturn in the forestry industry, and the consequential shrinkage in the number of on-ground personnel and machinery does present a capacity problem. With the forestry industry financially struggling in recent years, we support the URS and Tasmanian Forest Agreement 2012's recommendations that Community Service Obligations such as fire-fighting should be funded by government.

Despite the reduction of contracted wood supply levels embedded in the TFA, the agreement is designed to stabilise and then grow the forestry industry and avoid a predicted total collapse of the logging industry in a no-agreement scenario. This collapse would have a greater impact on on-ground fire fighting capacity than a structured stabilisation of the industry and future growth around plantations.

Mitigation measures need to be undertaken to ensure both personnel and machinery are available in fire-prone areas at the relevant time of year. ENGOs strongly support the development of well-funded, evidence-based fire management plans in proposed TFA reserves, including the use of fuel reduction burns and firebreak management plans which prioritise protection of life and property in regional towns and urban areas.

### ***Secure timber supply***

ENGOs support the need for the forestry industry to have a stable and secure wood supply. The TFA Bill 2012 provides for a guaranteed wood supply for industry. It legislates a minimum supply of 137,000 cubic metres of high quality sawlog for industry. The TFA Bill 2012 enables this volume to be included in legislation as a minimum supply requirement. Clause 6 of the Tasmanian Forest Agreement offers industry further supply security, stating that legislated volumes will be made available to industry through long-term, fully compensable supply contracts, with legislated sovereign risk protection.

In October 2012, Forestry Tasmania's annual 'Stewardship Report' demonstrated processor demand over the 2011-12 year was 109,940 m<sup>3</sup> of HQSL, however we note that this included some period where the Southwood sawmill was not operational.

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<sup>5</sup> <http://au.wiley.com/WileyCDA/WileyTitle/productCd-CON4.html>

In terms of future industry expansion, the TFA Bill 2012 legislates for a remaining 571,000 hectares of forest on public land to be designated as Permanent Timber Production Zone land. The existing plantation resource and projected wood supply volumes from this source, on both public and private land, offers significant opportunity for solid wood processing, industry expansion and investment. The TFA includes mechanisms and funding to rollover low-value pulp plantation trees planted in the wrong location and replace them with sawlog specific trees, hence improving the value and productivity of the plantation estate over time.

### ***Specialty species supply***

The TFA also specifically addresses specialty timber supply. In addition to the 571,000 hectares of permanent timber production zone land, which includes most blackwood production forests, along with significant areas of rainforests and mixed forests rich in specialty timber, the agreement also identifies a 37,954 hectare Specialty Craft and Timber Zone specifically excised from the reserve proposal – to provide additional potential to cater for specialty timber supply. Clause 9 of the agreement provides for the creation of a Specialty Timber Management Plan, to support the development of Tasmania’s important speciality timber industry.

This element of the TFA, strikes a good balance between giving the special timber supply a long term future, while removing the marketing challenge of having wood sourced from old growth rainforests with expert verified world heritage value. This was reflected in the fact that a significant group of the State’s leading boat builders, architects, instrument makers and furniture designers recognised the merit of the TFA and the areas set aside for special timbers as being able to provide a credible and viable future for their industries.

In 2012, Forestry Tasmania produced 12,483 m<sup>3</sup> of specialty timber. Of this, 84 m<sup>3</sup> was sourced from Bass, 381 m<sup>2</sup> from Derwent, 756 m<sup>3</sup> from Huon and 11,265 m<sup>3</sup> from Murchison. Preliminary analysis indicates that significant volumes of the current planned supply volumes of specialty timber can be sourced from the proposed Permanent Timber Production Zone, including the Specialty Craft and Timber Zone. Blackwood accounts for 80 per cent of specialty timber supply and 97.5% of the Blackwood specialty timber zone is available for sustainable harvest under the TFA. Wood supply modelling completed by Professor Mark Burgman as part of the Independent Verification Process for the Tasmanian Forests Agreement<sup>6</sup> indicates that a significant proportion of Silver Wattle forest is in State Forest outside the proposed area of new TFA reserves.’ Virtually all the Huon pine supplies are unaffected by the TFA.

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<sup>6</sup> Review of Tasmanian Forest Estate Wood Supply Scenarios. Mark Burgman and Andrew Robinson. Final Report to the Independent Verification Group, Intergovernmental Agreement, Version 9.9 March 7, 2012. [http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg\\_woodsupply\\_burgman.pdf](http://www.environment.gov.au/land/forests/independent-verification/pubs/ivg_woodsupply_burgman.pdf)

In addition, of the other three rainforest species, Myrtle, Sassafras and Celery Top, there is over 41,000 ha of existing rainforest speciality timber zone available outside of reserves in the TFA.

Specialty Timber supply in recent years has been erratic (for example in the last few years volumes have varied from the amounts set in the current ST Strategy by between 400% and 4%). This is reflective of the supply coming from opportunistic arisings coming from the logging of eucalypt mature forests. As Burgman noted in wood modelling reports for the IVG process, the specialty timber sector was due to confront significant change as part of the structural change of the industry irrespective of the TFA, as the broader industry progressively moves out of mature forest and largely into second rotation regrowth and plantations.

Environment groups and many in the specialty timber sector have in the past been critical of poor long-term management of areas rich in specialty timbers, and the TFA offers an opportunity to manage this precious resource in a much more sensitive and well-thought out manner. There is therefore a well-documented need for a new approach to management of our specialty species resource, and channel it to high value-added product, whilst managing those areas identified in the STCZ's in a sensitive manner that protects natural values. Through Clause 9 of the agreement, the TFA process will allow this, with multi-stakeholder support in the market for a sustainable industry focused on high value products produced in Tasmania.

### ***Future viability of the industry***

The TFA Bill 2012 is critical to enabling and supporting a viable forestry industry for the state. Evidence given to the Legislative Council by the Australian Forest Contractors Association described a decimated contractor industry, which, faced with the collapse in global residue markets, is operating at 80 per cent capacity in a best-case scenario and often 25 to 30 per cent capacity.

While profits in all industries fluctuate, a number of the changes which have hit the Tasmanian forestry industry are major and will continue over the medium to long-term. These include a high Australian dollar, increased competition from plantation timber, changed market preferences relating to native timber products and the increase in China's price-setting power. Tasmania's forestry industry needs to restructure to first survive and eventually take advantage of these global market changes. By supporting this restructure and allocating funds for innovation and diversification, the TFA provides the urgent support needed to address industry crisis and adjustment.

### ***Socio-economic impacts***

The economic changes impacting on the forestry industry in Tasmania have been well researched and documented, including through high-quality research from Jacki

Schirmer at ANU, and through the URS strategic review process. The Socio-Economic Group of the Independent Verification Group charged to investigate the impact of the IGA developed a preliminary methodology for modelling the impact of forest industry changes on employment and local communities, to enable the regional development funding package to be tailored to mitigate the impacts of change in those communities most affected. ENGOs support the undertaking and completion of a socio-economic study on the impacts of the changes arising from the restructure of the industry, to ensure that the regional development funding package is tailored to mitigate and provide support to those communities that are most affected by the changes in the industry.

With key industry players repeating publicly that the TFA offers the only way to avoid a catastrophic collapse of the supply chain of the Tasmanian native forestry industry, it is clear that the economic, employment and regional impacts of a no-agreement scenario would be much greater than a well-thought out re-structure of our industry, that allows the industry to re-build, whilst providing financial and economic development support for those individuals and communities most affected by the changes.

It is imperative that workers are supported through necessary structural adjustment within Tasmania's forestry industry. Federal and state government funding attached to the forestry agreement process has already delivered \$277 million to support workers and communities affected by crisis in the sector. The projects already approved with the first \$20 million of economic diversification funds will create 1765 new jobs for Tasmanians.<sup>7</sup>

### ***Tourism***

We are supportive of the new reserves being managed in a way so as to facilitate a broad array of nature-based tourism and recreational opportunities and access, and it is our intention to participate in a positive and constructive way with local communities, councils and the tourism sector to identify and proactively support appropriate opportunities for a wide array of nature-based tourism and recreation within and arising from the new reserves provided from this agreement.

With over 15,000 direct jobs and an estimated 32,000 jobs in total, Tourism is a crucial sector for the Tasmanian economy, representing about 13.5% of the state's workforce and contributing \$2 billion (or 8%) to gross state product. One of the core underpinnings of Tasmania's tourist sector is our world class natural environment, wilderness, wildlife and natural attractions. The TWWHA earns hundreds of millions of dollars and generates thousands of jobs for the people of Tasmania. For example, an analysis by Gillespie Economics, BDA Group (2009), found that the Tasmanian Wilderness World Heritage Area:

- creates \$700,445,000 annually in direct and indirect turnover;

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<sup>7</sup> IGA job creation figures, taken from the Department for Regional Australia figures on economic diversification pending; <http://www.regional.gov.au/regional/tasmania/projects.aspx>:



- generates \$200,761,000 of annual income for the state;
- provides 5131 jobs.<sup>8</sup>

We would support a regional tourism development assessment and planning framework to be put in place to provide a template for the 'what, where and who' of nature-based tourism and recreation access and development in and around the new reserves. A positive example of where this has worked in Tasmania was in the leadership role that the Cradle-Coast Authority provided in developing a consensus based Tarkine Tourism Development Plan for the Tarkine region – outlining where private investment opportunities lay, where there were information & signage needs, and where there was a need to improve or develop access and facilities – whilst protecting the outstanding natural and cultural values of the region. A similar approach could be adopted for the regions where the new reserves provide opportunities for nature-based recreation and tourism.

### ***FSC Certification***

The TFA provides for support by the signatories for FSC certification for operations on Permanent Timber Production Zone land, and recognises that to achieve certification, the production forests manager needs sufficient flexibility in headroom to demonstrate sustainability, to demonstrate and undertake management of conservation values within the production estate and demonstrate management control for production forest areas.

Evidence collected by PricewaterhouseCoopers from the UNECE and FAO on market price for FSC certified products indicates that premiums for FSC-certified sawn hard woods run between 12 per cent and 20 per cent.<sup>9</sup>

FSC's Market Survey for 2011 also reports benefits for FSC certified companies in securing access to new markets. 53.9% of FSC certified companies responded with the view that 'Additional clients' was the greatest perceived benefit of FSC certification for their business.<sup>10</sup>

According to the UN's FAO 2009 State of the World's Forests report, in 2006, 24 per cent of the world's industrial round wood was certified. The FAO quotes the Program for the Endorsement of Forest Certification, saying that by 2017, 45 per cent of the world's wood products will come from certified forests.

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<sup>8</sup> Gillespie Economics, BDA Group (2009): Economic Activity of Australia's World Heritage Areas, Department of Environment, Water, Heritage and Arts, Australian Government, Australia.

<sup>9</sup> PricewaterhouseCoopers (2007): Sustainable Investments for conservation – The business case for biodiversity. A study on behalf of the WW F Germany.

<sup>10</sup> FSC Global Market Survey 2011. <http://ic.fsc.org/market-information.345.htm>

In today's world of increasing consumer awareness of the environmental impacts of their purchasing choices – it is an important and critical step for the future of the forestry industry to achieve FSC certification – and this agreement opens up that opportunity for the industry.

## **Carbon**

Forest protection provides an important, ecosystem-based carbon mitigation opportunity in the context of an urgent global need to reduce greenhouse gas emissions. The Australian climate change policy framework now provides ways for entities (businesses, governments) to obtain assets (saleable carbon credits) in exchange for some types of ecosystem-based carbon mitigation outcomes, by providing access to carbon markets.

Two independent reports released in 2012 confirmed the potentially significant value of reducing annual harvest volumes and increasing forest protection in Tasmania. These studies did not explicitly consider the precise harvest levels/protection scenarios agreed by the Signatories (as the agreement had not been made at the time of the reports) but provide some indicative assessments of the significant potential carbon mitigation value of the agreement, and its value under current carbon market entry rules.<sup>11</sup>

The market entry rules (which determine whether you can generate saleable credits for particular carbon markets) are established by the Carbon Farming Initiative (CFI)<sup>12</sup>, and although there are other avenues available to generate saleable carbon credits, only the CFI can provide access to larger, higher-valued compliance (or regulated) carbon markets, and in particular the Australian carbon price mechanism.

CFI approved projects will generate assets called Australian Carbon Credit Units (ACCUs). When Australia agreed to join the second Kyoto commitment period in December 2012, and agreed to account for carbon emissions and sequestration associated with forest management activities, it meant that any ACCUs generated from activities of the type delivered by this legislation would now generate ACCUs saleable into the Australian carbon price mechanism.

In order for the Tasmanian Government to generate ACCUs from the Tasmanian Forest Agreement, some key things need to happen:

1. The Federal Government needs to confirm that this kind of project is eligible under the CFI, and in particular that passing this legislation will not prevent future CFI approval – the Federal Government has committed to reflect this in the CFI regulations

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<sup>11</sup> *Tasmanian Forest Carbon Study* (May et al 2012), commissioned by the Tasmanian Climate Change Office; *Tasmanian Forests Intergovernmental Agreement: An assessment of its carbon value* (Macintosh 2012), commissioned by the Tasmanian Forest Agreement Independent Verification Group

<sup>12</sup> *Carbon Credits (Carbon Farming Initiative) Act 2011*

2. The Tasmanian Government needs to either (a) develop a project 'methodology' that meets all of the CFI rules or (b) use a methodology that is already approved under the CFI (in the event that an applicable methodology is approved in the near future)
3. The Tasmanian Government needs to develop the project, including establishing ownership of the carbon rights, project management and monitoring and auditing arrangements
4. The Federal Government (based on the advice of their independent Domestic Offsets Integrity Committee) needs to approve the carbon farming project and transfers ACCUs to the Tasmanian Government
5. The Tasmanian Government delivers an economic benefits to the Tasmanian community by either (a) selling the ACCUs into the carbon market, (b) using ACCUs to assist Tasmanian industries or sectors that have liabilities under the carbon price and so need to purchase ACCUs or permits (eg. Large landfills, emissions intensive industries like cement or aluminium smelting), or a combination of the two.

We understand that this first step has been successfully progressed, with the Federal Government confirming in December 2012 correspondence to Ministers Green and O'Connor that the passage of the legislation to give effect to the Tasmanian Forest Agreement would not prevent the Tasmanian Government from pursuing approval of a CFI project based on the additional carbon mitigation outcomes arising from the agreement.

## **Conclusion**

ENGOS are firmly committed to the TFA and all of its outcomes. We believe it is the only viable pathway to delivering on industry and environmental aspirations and triggering a mechanism to heal long running rifts within the Tasmanian community.

We see no viable alternative. Those advocating an alternative pathway bear the responsibility of articulating to their constituencies exactly how, given the economic, political and social landscape facing Tasmania, that pathway can deliver desired outcomes.

The TFA and the legislation to implement it represents a genuine negotiated outcome where, while everybody doesn't get everything they were seeking, they get enough to warrant their proactive support. As signatories we reiterate that support and recommend the Agreement and enabling legislation to you.

## **Appendix**

### **Formation of Landcare**

*Conservationists and farmers might have once seemed like strange bedfellows but the launch of Landcare shows what a shared desire to create positive change can achieve. An alliance between ACF and National Farmers' Federation, Landcare provided a vision for the transformation to ecological sustainability that was embraced by all major political parties.*

*Established in 1989, the project became a national program to guide Australia's increasingly urban and less agrarian economy towards environmental sustainability. Landcare formally recognised the shared goals of farmers and environmentalists. During the 1990s, the Landcare alliance grew to over 2000 groups. Its most important early achievement was to change the national thinking 'beyond the farm gate'. Today, it boasts over 4000 community Landcare groups, 2000 Coastcare groups and thousands of volunteers across the country.*

### **Forest Stewardship Council**

*In 1993 a group of timber users, traders and representatives of environmental and human-rights organisations met in California. Those attending the meeting outlined a credible system for identifying and certifying well-managed forests as acceptable sources of forest products supported by a global umbrella organisation. It developed the name "Forest Stewardship Council" (FSC). Today, more than 106 million hectares of forest have been certified to FSC standards worldwide and more than 5 000 companies participate in the system.*

*FSC Australia was established in 2001 and has grown to over 80 members including some of the country's major forest product companies, social organisations and ENGOs. The FSC Australia board is symbolic of its collaborative approach with nine members equally representing economic (3 members), social (3 members) and environmental (3 members) interests. Today more than half a million hectares of forest have been certified to FSC standards in Australia.*

### **Adapting to Changing Markets – A Canadian Story**

*Around 2006, at a time when the forest industry in Canada was in a deep slump, came one of the world's largest ever orders of book-grade paper. The order was for the 12 million print run of the US edition of "Harry Potter and the Deathly Hallows". But this order also required that two-thirds of the paper content must be derived from forests managed in a socially and environmentally responsible way.*

*The companies that filled this record order were those willing to change with the times and provide the customer with what they wanted. Not surprisingly, those companies fighting to reduce the influence of environment groups and continue to produce products the way they always did not get picked for this order.*

*A newspaper report put it this way: "The message couldn't have been more obvious to forest company executives: In a market struggling with poor demand and weak pricing, the product with the best green credentials takes most of the sales." (Globe and Mail newspaper, Canada 18 May 2010)*

*During 2010, while the Tasmanian forest talks were in their early days, in Canada, the forest industry announced a truce with environment groups, after finding common ground and negotiating the 'Canadian Boreal Forest Agreement'. The agreement aimed to give Canadian forest companies the best environmental reputation in the world. It covered 72 million hectares — an area of temperate forest more than ten times the size of Tasmania — with logging to cease in 29 million hectares that were most important for the conservation of wild caribou.*

*The president of the Forest Products Association of Canada (representing 21 large forest companies), Avrim Lazar, said at the time "we know that tomorrow's jobs are going to go to those who can see that the future depends upon environmental progressiveness and that's a race we plan to win". (Globe and Mail newspaper, Canada 18 May 2010).*