

To the TFA committee,

18 January 2013

Thank you for the invite and opportunity to submit some thoughts on the Tasmanian Forest Agreement (TFA) process for your consideration. Congratulations on your decision to review the TFA and hopefully either significantly improve it or throw it out.

The following three things are essential with all sustainable, well managed/certified forests:

1. **Commercial viability;**
2. **Sound Conservation &**
3. **Acceptable Social practices.**

Peace in the forest should improve if the best outcome is achieved for all of the above points. The Tasmanian native forests are among the best managed forests in the world and the TFA process needs to ensure that this good stewardship can continue. TFA decision makers need to be able to defend the current TFA position on important commercial, conservation and social issues, including but not limited to the following:

1. Is the TFA delivering a sound/acceptable/ best conservation practice?:
 - o The World Wildlife Foundation (WWF) a world leader in conservation doesn't advocate locking up additional high conservation value forests (HCVF) in reserves. The WWF believe it is better for conservation and biodiversity if the identified HCVF areas are managed with extreme care through, for example, partial logging (WWF article on HCVF is attached). Why is the TFA lock up massive areas if the WWF doesn't advocate it?
 - o The Regional Forest Agreement (RFA) delivered a good sustainable and scientifically based system which is far better than the Gunns pulp mill initiated TFA process with ENGO's. It's pretty obvious that the TFA won't deliver peace in the forest and will deliver a worse conservation outcome. It makes more sense (commercially, environmentally and socially) to stick with the RFA reserves and production areas with a few sensible changes such as a reduction in the legislated annual volume of sawlogs that need to be made available (from 300,000m³ to the new demand, following Gunns exit, of 200,000m³).
 - o If it is deemed that HCVF areas in the upper Florentine should be locked away in reserve then do it but transfer equivalent regrowth native forest areas that are less environmentally sensitive out of reserve and back into the production area.
 - o Reducing the production area by >500,000 ha will necessitate that remaining production areas are more intensively managed (I.e. Clearfell as opposed to partial harvest practices) and this will result in increased pressure on important resources (soil, water and vegetation cover/wildlife habitat) and biodiversity.
 - o Intensive management in reduced production areas will increase the risk of fire damage to younger forests due to proximity issues.
 - o For good conservation to take place there has to be a source of income. Many native grassland game farms wouldn't exist if it wasn't for income from hunting. Culling is an acceptable and often necessary conservation practice to protect habitat and food sources by controlling animal population numbers.
 - o Forestry has spent a great deal of money on gaining and recording valuable knowledge (spatial and attribute data) about the natural resources and the numerous animals, birds and insect species living in the native forests. Plenty more money is used to monitor, plan and manage forest operations to minimise soil erosion, maintain water quality and protect habitat/foraging/breeding sites. A reduction in the production area will reduce income available for all these conservation and educational activities.
2. Does the TFA deliver the best social and commercial outcomes?:
 - o What is the impact for Tasmanians with significantly reduced Council rates from FT under the TFA?
 - o Has an accurate assessment been done to determine whether the distribution of remaining production areas match the market demands in each supply catchment area to minimise cartage distance and maximise financial returns?.
 - o What is the impact on sawmill viability due to large areas of high value appearance grade sawlogs and veneer logs being taken out of production, resulting in reduced average log diameters and an increase of less desirable species?
 - o Under the TFA roads will deteriorate compromising access and safety for other commercial activities such as bee keeping, firewood collection and recreation.
 - o High value eucalypt veneer logs are not adequately catered for and will virtually become unavailable under the TFA. These logs should be selectively harvested from HCVF areas.

- Low impact selective harvesting of more of the high value special species areas (I.e. Myrtle, Sassafras Blackwood and Celery top pine) should be permitted as opposed to locking these areas away. Thousands of locals rely on this resource for commercial, semi-commercial and recreational purposes.
 - Koppers transmission and telephone poles are not included in the TFA quantities. As shown in the recent fires these are essential and high value forest products. It would be a shame to see less environmentally friendly alternative products such as cement poles lining our roads.
 - Demand for environmentally friendly renewable energy (wood pellets), fuel (bio-diesel), timber products (solid wood, cross laminated timber & engineered wood products) and fossil fuel alternatives (activated carbon) will increase in the near future and Tasmania will miss out on the full potential and ability it has under the RFA to contribute to the future in this regard if it implements the TFA. It seems crazy to handcuff future generations by locking up additional forests for a worse outcome or at best no real advantage when the move away from coal and towards renewable resources is already happening and will increase exponentially as soon as technology allows. Nano-crystalline cellulose (NCC) which is produced by processing wood pulp will replace metal and plastic car parts and could make nonorganic plastics, including plastic bags, obsolete in the not-too-distant future. NCC is transparent and has eight times the tensile strength of stainless steel due to its tightly packed array of microscopic needle-like crystals.
 - The lack of a wood chipping and loading facility in the South will impact negatively on the commercial viability of these forests and transport subsidies will be required to allow pulpwood and sawmill woodchips to be sold out of Bell Bay. Without the subsidies the supply of sawlogs and peeler logs in the South will be under threat and this is the reality even though it wasn't the intended TFA outcome.
 - If we do accept an adapted TFA it would be wise to have "contingency coupes" that can be harvested, if necessary, to deliver the contracted volumes rather than be forced to use taxpayers' money to compensate mills via Sovereign Risk if we are unable to supply logs.
3. Will Government compensation for exiting the industry deliver a desired outcome?:
- There was no contractual or defensible reason to compensate Gunns for their business decision to exit native forests. The compensation money effectively prolonged the inevitable collapse of Gunns who did a good job of pulling the rest of the Australian forest industry down with them by artificially decreasing the Australian woodchip price to Asia to suit their future pulp mill plans. They further snookered the remaining Tasmanian forest industry by ensuring that key woodchip processing and loading facilities in the South and NW of Tasmania were not accessible. The viability of Sawmills in the South has been significantly impacted due to the removal of a supply point/market in the South.
 - Why would the Government compensate Ta Ann for reducing their contract quantity by a third when there is local demand for LVL produced from veneer leaf? This would be a repeat of the Gunns compensation where the Government pay good tax payer's money for no defensible reason and shoot themselves in the foot in terms of value added market opportunity. What happened to the IGA/TFA commitment to honour all native forest log supply contracts by making the contractual quantities available to the market and not by using tax payer's money to pay the market to exit part of their supply?
 - Due to the demand for their finished products a number of FIAT members want to increase their current contractual sawlog volumes if they are available. Under the TFA this wouldn't be possible. The TFA proposal to pay some sawmills to exit the industry and then lock up their contract volumes into reserves doesn't make sense when other local sawmills are requesting an increase in their sawlog contract volumes because they can't produce enough product to satisfy the demand from ex-Gunns customers.
 - FIAT doesn't represent the rest of the industry and the outcome that FIAT desires would include snuffing out any competition for their members. Country sawmills that are not represented by FIAT will receive minimal lower grade sawlogs and virtually zero high grade sawlogs under the TFA and be forced to close down with negative impacts for the regional communities. Sawmills that currently saw products for niche' markets such as bridge beams and jetty timbers would disappear.

Regards

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 Chairman - (2007 to 2008): Endangered Wildlife Trust (EWT - grassland conservation working group).
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